FBIS

DAILY REPORT

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CASTRO WILLING TO COOPERATE WITH UNCTAD

FL100129 Havana Television Service in Spanish 0000 GMT 10 Jul 87

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers of Cuba, described the United Nations Conference on Trade and Development [UNCTAD] -- currently meeting in Geneva, Switzerland -- as the most universal forum of world economy since underdeveloped, socialist, and capitalist countries participate.

The Cuban leader expressed our country's willingness to cooperate with any effort resulting from this seventh UNCTAD meeting and noted the hundreds of millions of children who die because of poverty will not allow their tragedy to be reduced to words. Finally, the Cuban president's message states: This is the time for action, for a unified action.

MOZAMBIQUE SIGNS TECHNICAL COOPERATION PROTOCOL

FL092259 Havana Tele-Rebelde Network in Spanish 1100 GMT 9 Jul 87

[Text] The protocol of the seventh session of the Cuban-Mozambican mixed commission for scientific-technical cooperation has been signed in Havana. The document was signed by Mr Fernando Vaz, minister of public health and head of the official Mozambican delegation, and by Ernesto Melendez, minister president of the State Committee for Economic Cooperation. This protocol, which will be in effect this and next year, will cover economic areas such as health development, fisheries, middle and higher education, radio broadcasting, culture, sports, construction, agriculture, and the construction material industry.

SALVADOR'S DUARTE PROMOTES WAR, NOT PEACE

PA091500 Havana International Service in Spanish 2300 GMT 4 Jul 87

["Our America" commentary read by Manolo Ortega]

[Text] A few days ago Salvadoran Ambassador to Mexico Sigredo Munes Paredes Cruz said that peace is made by making peace in every corner of the world and that El Salvador is one of the corners of the world that deserves peace. No one would dare refute the idea that El Salvador is a country that needs peace; however, we could question the ambassador's words when he said President Jose Napoleon Duarte is a man full of good intentions who, despite the current and very difficult situation, has been able to give positive answers to the crisis.

The truth does not seem to agree with this statement. Let us find out why. At the same time Ambassador Munes was making these statements, Duarte suggested the postponement of the Central American president's summit. This summit had been called to discuss the plan presented by Costa Rican President Oscar Arias as an alternative to the Contadora plan to resolve the area conflict. It was no coincidence Duarte's request was announced after a brief visit to El Salvador by U.S. envoy Philip Habib and shortly before the Salvadoron president met with three leaders of the Nicaraguan counterrevolution, Adolfo Calero, Alfonso Robelo, and Azuncena Ferrari. Quite rightly, the postponment of the summit was described as an obstacle sponsored by Duarte, in open complicity with the United States, to hinder peace in Central America, win some time, and make certain changes in the Arias plan, which has not been fully accepted by Washington.

A few weeks after he requested the summit's postponement, Duarte rejected, for the 12th time in the 7 years of war, a new proposal presented by the rebels to resume the dialogue. This refusal has placed the Salvadoran president in a very delicate situation, because an end to the war is not only the people's desire but also a desire of many political parties who have much influence in the country.

The rebel proposal was made at a very important time. In less than 2 months, the FMLN inflicted more than 2,000 casualties on the Army. The Army has also suffered very serious attacks like the attack on El Paraiso and San Francisco Gotera garrisons. These attacks created some differences among the Armed Forces High Command who differ in their views regarding the way the war should be handled. This also created some serious problems for Washington. Some people in Washington are questioning the efficiency of the aid to El Salvador and the capability of the Salvadoran Government and Armed Forces on the battlefield.

To the military attacks we must add the generalized rejection of the so-called packaged swindles that, on three separate occasions, the president has tried to impose despite the open rejection of the ultrarightist economic groups. The Salvadoran authorities have admitted the nation's economic chaos and they have even admitted they cannot accept the thousands of countrymen who have been affected by the new U.S. immigration law. The high unemployment rate, inflation, and deficit of an economy used to sponsor war closes the country's door. Therefore, all this contradicts the so-called peace efforts that, according to the Salvadoran ambassador in Mexico, encourage Jose Napoleon Duarte's government. Instead of seeking peace for this little corner of the world, Duarte promotes war.

U.S. 'EXTENDING ITS TENTACLES' OVER BELIZE

PA082209 Havana International Service in Spanish 2300 GMT 6 Jul 87

["Our America: commentary read by Manolo Ortega]

[Text] Some time ago, a Belizean publication reported that a company of the U.S. Army Corps of Engineers had finished building a Bailey bridge over the Mullins River, which empties into the Gulf of Honduras. This was a project the Belizean Government had planned to undertake. The Mullins River bridge, made up of approximately 100 prefabricated sections, was donated by AID.

Before continuing, it would be worthwhile to look at the past. Since 1984, the nation has been led by Manuel Esquivel, leader of the United Democratic Party, a conservative coalition that, supported by the private sector and taking advantage of the unfavorable economic situation, made use of the people's discontent to win the elections.

Since then, the weak economy of this Caribbean nation has worsened to critical. At the same time, ties with the United States and Great Britain have been strengthened, and the country is subjected to the dictates of the IMF.

Remember that since Belize obtained its independence in 1981, Great Britain has maintained in the territory 1,600 soldiers whose objective is to preserve domestic security.

Meanwhile, remember Belize's strategic geographic position, so near Honduras and other countries in which the United States carries out large infrastructure projects through which, with the excuse of carrying out civic actions, it is preparing the terrain to undertake large-scale military operations against Nicaragua.

In this regard, the Belizean magazine SPREARHEAD stated: The Mullins River bridge is undoubtedly a useful contribution to the country's infrastructure, but at the same time, it added, we have had U.S. troops in our territory at a time when the Reagan administration is executing an ill-fated militaristic policy in Central America with the objective of overthrowing the democratically elected government in Nicaragua and of supporting exploiter regimes in the region. The magazine also cites what was said in this regard by the [words indistinct] organization. It said: There are rumors that another unit is coming to build more bridgesand roads. We cannot accept this because if the United States wishes to be generous, let it provide the funds. We do not want soldiers here because wherever they go, the result is ugly and antidemocratic.

One's attention is drawn to the fact that since 1980, AID has increased its so-called aid to the Central American nations, including Belize, which in 1985 received $253 million. In 1986, it received $12 million plus food aid and scholarships. We do not have enough time to go into detail about the AID strategy for the region, but it is useful to consider that under the section called pacification, Belize, which does not have guerrillas or any other types of armed struggles, has been assigned nearly 140 members of the Peace Corps. This is the biggest number per capita that the organization has in the world. A section of the AID program mentions the expansion of groups that promote U.S. values in Central America, This includes the Voice of America station in Punta Gorda, television via satellite, and the so-called Kissinger scholarships to study in the United States.

In conclusion, Belize has become a new area where U.S. penetration is extending its tentacles over all fields, including the military, so not a single country of the region will remain outside the interventionist plans that lead to war.

CHILEAN PRISONERS' FATE WORSE AFTER PAPAL VISIT

PA301230 Havana International Service in Spanish 1800 GMT 26 Jun 87

[Text] Berta Castro, leader of the Association of Relatives of Chilean Political Prisoners, said in Paris during a meeting with Danielle Mitterrand, wife of the French president, that the situation of about 450 Chilean political prisoners worsened after Pope John Paul II's visit to Chile in April.

The Chilean leader said that 10 [words indistinct] who oppose the Pinochet regime have been sentenced to death. She said only international solidarity will be able to save them. Castro said that in the past few months, the military distatorship has increased repression against the opposition. She mentioned as an example the (?eight) members of the Manuel Rodriguez Patriotic Front who were murdered on 7 June.

FDR VICE PRESIDENT ON CONCERN FOR WAR ESCALATION

PA051546 Havana International Service in Spanish 2300 GMT 1 Jul 87

[Remarks by Salvadoran FDR Vice President Eduardo Calles during an interview with SALPRESS-NOTISAL correspondent Carla Rodriguez; date and place not given -- recorded]

[Text] There is reason for concern, because everything indicates steps are being taken to escalate the war in its most negative aspect, which most affects our country's most suffering civilian population. Along with Duarte's remarks rejecting outright our proposal for the humanization of the conflict, we have learned that a delegation of ranking military leaders headed by General Blandon will shortly travel to the United States to request more assistance in air support specifically, helicopters and fighter-bombers.

This will essentially affect our country's civilian population. Our proposal, on the other hand, seeks to diminish the war's social and economic costs as a first step toward a political resolution process. We were clearly linking this first step of toning down the war, of substantially (?mutilating) the war, to proceeding to a process of continuous negotiations to seek a political resolution of the conflict. The answer, in Duarte's remarks and these clear actions by the Army to seek more air support, is directed toward an escalation of the war, of the conflict.

We see, then, that this is the immediate outlook of the war. Nonetheless, we will continue to take political actions, making contact with our country's political and social sectors to promote what has always been our idea -- a broad national consensus that will ultimately force the government to accept a political resolution. The Salvadoran Government, in tune with the U.S. Government's interests, will not take steps toward a negotiated resolution to the conflict unless it is the target of strong social pressure, which is currently developing.

We are also concerned that along with this escalation of the war, the level of repression is rising a great deal. These are our concerns. We wish to voice them at an international level, to reaffirm that our position is open and seeks to effectively begin a political resolution process and that the government has adopted an absolutely hermetical, negative, and warlike position at the service of the U.S. Government's interests.

FIDEL CASTRO PARTICIPATES AT UPEC PLENUM SESSION

FL092200 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Jul 87

[Report by Gisela Bell Heredia from Havana's Palace of Conventions]

[Text] An active participation of Commander in Chief Fidel Castro in debates characterized the afternoon session of the second plenum of the National Committee of the Union of Cuban Journalists [UPEC], held to analyze the progress made in the implementation of information policies outlined for the country's press organs. Fidel held a dialogue with journalists, ministers, and other officials and discussed thoroughly various points brought up at the meeting.

UPEC President Julio Garcia Luis stated there are projects yet to be completed in the work of journalists and there are still some who make criticisms without offering solutions to the problems. However, he said the important thing is that our journalists are no longer reporters of organizations and are conveying the facts more accurately and objectively. On this point, some people mentioned the deficiencies of cadre policies in the journalism sector and explained the situation some staff members are experiencing in places such as television centers. Likewise, the Communist Party of Cuba [PCC] Politburo released a resolution on the implementation of the agreements reached at the Fifth UPEC Congress.

The plenum agreed to send greetings to the state security combatants for their outstanding work in uncovering CIA actions in their efforts to destroy the Cuban revolution.

ENTERPRISE WORKERS TO DISCUSS 1988 FIGURES

FL071724 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Jul 87

[Text] Beginning tomorrow and until 18 August, the workers from enterprises and budgeted units will discuss the preliminary projected figures for 1988.

Only two points will be discussed at the assembly meetings: the figures will be analyzed and discussed, and concrete proposals will be made to use the resources acquired more efficiently and turn them into freely-convertible currency.

While meeting with trade union leaders from all sectors to report on the methodology that will guide that assembly process, Roberto Veiga, member of the PCC Politburo and secretary general of the CTC [Central Organization of Cuban Trade Unions], stressed that the discussion of the plan with the workers is a necessary requirement of the economy.

Planning Board Leader Speaks

FL081747 Havana Radio Reloj Network in Spanish 1954 GMT 7 Jul 87

[Text] It is of vital importance to analyze the expenditure of freely convertible currency at the assemblies convoked by the CTC to discuss the preliminary figures of the social and economic development plan for 1988. This has been stated by Enrique Martinez, vice president of the Central Planning Board [Juceplan], who added that resources for the realization of the plan in individual enterprises must also be taken into account. The Juceplan official said the results of the discussions with the workers must reach the Juceplan so the 1988 economic plan may be enriched.

The discussions will commence tommorrow in all the country's work centers and conclude on 18 August, according to the CTC.

LAW ON PARENTS NONPAYMENT OF FOOD ALLOWANCES

FL071446 Havana Tele-Rebelde Network in Spanish 1100 GMT 7 Jul 87

[Text] The first stage of regular sessions of the third legislature of the National Assembly of the People's Government [ANPP] will be held 16-17 July in Havana.

During a news conference, ANPP President Flavio Bravo Pardo mentioned some of the topics that will be discussed at that meeting:

[Begin recording in progress] ...that are fundamental for the country such as the civil code. This will be the first civil code our country has had since the revolution. Of course there are very important changes here, and it takes into account all the new things brought by the revolution.

We have two draft laws. Some parents are not fulfilling their obligation of paying their children's food allowances. This draft law eliminates the possibility of avoiding the responsibility established by the family code.

Another important draft law is one that modifies the maternity law article. It proposes an increase -- a modest one -- in maternity leave. [end recording]

481 TONS OF CRUDE PRODUCED IN 6 MONTHS

FL021633 Havana Radio Reloj Network in Spanish 1412 GMT 2 Jul 87

[Text] The national oil extraction plan is being carried out successfully. In the first 6 months of the year, 481 tons of crude have been produced, which is an indication that Cuba is able to produce over 1 million tons of the hydrocarbon, the estimated production for this year.

Manuel Marrero, an official of the Geology and Oil Exploration and Extraction Directorate [name and office as heard] of the Basic Industry Ministry, said production in the first 6 months of the year has demonstrated that activities in this sector are on the right path.

In the 6-month period, oil workers in the central region, primarily in Varadero and Cardenas, in Matanzas, performed in an outstanding manner, surpassing their production goal.

Over a dozen small and medium-sized oil deposits have been discovered in Cuba, basically in the gas and oil basin in the northern part of the country. The largest deposits are in Boca de Jaruco, Havana, and Varadero, Matanzas.

MINISTRY INSTALLS REMOTE DATA TERMINAL

FL292334 Havana Radio Rebelde Network in Spanish 2300 CMT 29 Jun 87

[Text] A remote data terminal was installed today at the Science and Technology Information Center of the Ministry of the Steelworking Industry. The terminal allows satellite access to valuable and distant data bases in other countries through the central data bank in Moscow.

DOMINICAN REPUBLIC

GROUPS WARN OF BUSINESS CLOSURES, PRODUCTS SHORTAGE

FL062220 Santo Domingo Cadena Brea Pena in Spanish 1130 GMT 6 Jul 87

[Text] Several businesses might cease operations and shops could close as a result of the presidential measure prohibiting tax exemptions for imports, according to the presidents of the Chamber of Commerce and the Herrera Industrialists Association. (Felipe Aufant) and (Jose Turenco) said the plans are to produce a drop in the exchange rate on the basis of a possible economic paralysis. (Aufant) warned that in 3 months there will be an acute shortage of products, which might cause inflation to grow in the country. He added that as long as Decree 344 reducing imports is in effect, many companies will find themselves forced to suspend operations.

(Aufant) claimed the decree seeks (?to stop) new firms from opening in the country.

President Replies to Criticism

FL0615568 Santo Domingo Cadena Brea Pena in Spanish 1130 GMT 6 Jul 87

[Text] President Joaquin Balaguer has described the monetary board's measures to control the rate of the dollar as positive. In this regard, the president noted the monetary board is controlled mainly by members of the private sector. With this remarks, the president is refuting claims made by Mr Alejandro Grullon, who said the monetary board lacked credibility. Grullon, who is president of the Popular Financial Group, said the lack of credibility results from the incoherence of the measures imposed by the monetary organ to reduce the exchange market.

President Balaguer also described as impertinent statements made by the president of the Herrera industrialists association to the effect that this sector would disappear with the decree prohibiting imports for 2 years.

People Urged To Back Reforms

FL020234 Santo Domingo Domestic Service in Spanish 2200 GMT 1 Jul 87

[Station commentary: "The Action of the Government"]

[Excerpt] The government traditionally and historically has been, in addition to being the most important center of political power, an instrument of the winning political party and a means of personal satisfaction. That is what can be encountered in the pages of history with the natural exceptions that all rules have.

Nevertheless, the people are once again observing and enjoying one of the few leaders in our history who has fully used political power without using it as the instrument of his political party or for his own benefit. Instead, he has used it to make sacrifices. [passage omitted]

The method and form of that splendid, productive, and dynamic exercise by President Joaquin Balaguer originates from [words indistinct] by the action of the government. Balaguer is constructing, in a clear way and with [words indistinct] to solve the problems of the country.

But it is not just the constructive work that is important. There are other actions that are no less decisive. We are referring to the rectifications of conduct, imposition of administrative order, establishment of fiscal controls, and the total reordering of values and principles that guide the democratic life and economic well-being of the nation. Something that deserves special attention in the [word indistinct] confidence and the undertaking of the humanistic task of liberating the Dominican peasant.

That is the action of the Balaguer government, and all good Dominicans should unite to support this action.

GRENADA

PUBLIC SECTOR UNIONS REACT TO IMMINENT RETRENCHMENT

FL031317 Bridgetown CANA in English 1105 GMT 3 Jul 87

[Text] St George's, Grenada, July 3, CANA -- Three public sector unions in Grenada have accused the government of handing more than 220 civil servants letters of retrenchment.

In a statement, the unions said that among those retrenched were "young, talented and highly qualified officers along with senior and junior primary school teachers."

The statement did not indicate when the letters would take effect but union sources said that it would be from the end of this month.

Government had said it intends to retrench hundreds of civil servants over a one-year period in order to bring its monthly payroll within manageable limits.

Prior to the latest batch of letters, the government had sent home about 40 workers.

Grenada's estimated 7,000 civil servants are represented by the Public Workers Union (PWU), the Grenada Union of Teachers, and the Technical and Allied Workers Union (TAWU).

The unions, in the statement, said they were "very concerned" over the retrenchment method being employed by government since it had "a subtle smell of victimization when taking into account the many young officers being put on the breadline."

"The unions are very concerned also about the fact that retrenched retirees who were the first to be issued with retrenchment letters as stated by the government (those over 60 years) are in very many cases being reemployed through the back door while young officers are sent home," the three said.

The unions also expressed concern over what they said was the "apparent suppression" of a suit they filed against government in February last year over the reduction of one day's pay from civil servants who took sick-out action to press their demands for wage inc eases.

Relations between government and the public sector unions have deteriorated for sometime with the two sides still at loggerheads over a longstanding wages agreement.

Crackdown on Illegal Aliers

FL041427 Bridgetown CANA in English 1416 4 Jul 87

[Text] St George's, Grenada, July 4, CANA -- A government task force on immigration has begun a crack-down on foreigners living in Grenada illegally and operating businesses without proper documentation.

Head of the task force Senator Ben Andrew said the first such business to be closed was Guyanaese-operated snackette and shop in the capital.

Andrew said the shop violated labour and immigration laws and he ordered the owner to secure the proper documentation before reopening.

He told CANA that if the owner, who was given a warning before, failed to acquire a work permit within a week he would be deported.

Andrew also said quite a few people mainly from Guyana and Trinidad and Tobago had been deported in recent days because their permits had expired and were not extended. He also reported that a number of people living in Grenada illegally had since left the island voluntarily.

The Ministry of Labour has been issuing frequent warnings to foreigners living illegally in the country to regularise their positions.

Andrew also indicated that the task force was looking for a group of Syrians engaged in a selling video and other materials illegally in the country with a view to deporting them.

He said that in light of government's retrenchment programme everything needed to be done to ensure available job opportunists for nationals were protected.

Government has started retrenching hundreds of civil servants to improve its financial position.

POLITICAL LEADERS MEET TO DISCUSS FUTURE

NNP Meets Secretly

FL041615 Bridgetown CANA in English 1535 GMT 4 Jul 87

[Text] St George's, Grenada, July 4, CANA -- Grenada's ruling New National Party (NNP) and the major parliamentary opposition leaders are holding separate high-level meetings tomorrow to discuss their political fortunes.

Political sources told CANA that a special select group of NNP officials would be holding a secret caucus at the home of the speaker of the House of Representatives Sir Hudson Scipio on the outskirts of the city.

They said the meeting was called by Sir Hudson who is apparently worried about the apparent decline in popularity of the ruling party and its precarious financial situation.

The NNP which won 14 of the 15 parliamentary seats in the 1984 general elections saw its majority decline to 9-6 following several defections to the opposition.

The other meeting taking place in the rural Parish of St Andrews would see the six-member parliamentary opposition discuss a list of principles for a proposed party with a group of selected persons.

The move is regarded by political observers as the first step towards the formation of a new political party which is tipped to be headed by former Education Minister George Brizan.

Brizan has already told reporters that he expects the proposed party to be formed before year-end.

The intense political activities are taking place in Grenada even though the next elections are not constitutionally due until 1989.

Brizan, Alexis Confer

FL061725 Bridgetown CANA in English 1528 GMT 6 Jul 87

[Text] St George's, Grenada, July 6, CANA -- Grenada's six-member parliamentary opposition has moved closer to forming a new political party following a meeting here yesterday.

Ex-education Minister George Brizan said the MP's and about 15 other persons met and agreed in principle on a set of principles and also set up steering committees. "We had a successful session lasting for about four hours with some of our most committed supporters in what could be called a national consultation committee," he told CANA.

Brizan said that he himself would head a committee responsible for drafting the statement of principles and policies for the proposed party, while former Legal Affairs Minister Dr Francis Alexis would head the constitution drafting committee. Brizan and Alexis resigned from Grenada's two-and-a-half-year-old government last April, citing differences with Prime Minister Herbert Blaize on economic and labour policies.

Informed sources told CANA the meeting also resulted in the formation of fund-raising, information, public relations and organising committees.

Brizan said the name for the party is expected to be seriously looked at when the group meets again in another two weeks time.

HAITI

COMMITTEE ALTERNATIVE TO CNG REPORTED

FL091700 Port-au-Prince Domestic Service in Creole 1300 GMT 9 Jul 87

[Monitored in progress]

[Excerpt] ...strike in Haiti held a news conference at the Holiday Inn Plaza Hotel at approximately 1500. The room was packed. There were not only journalists, but also other people who had come to see what the organizations were going to come up with. These organizations too were going to propose an alternative [to the National Government Council, CNG]. Two other organizations had held a news conference the day before yesterday: The RDC [no expansion provided], represented by Yves Volel; Bernard Sansaricq; and Pastor Sylvio Claude. They presented their alternative then. Elsewhere, Maurepas Auguste had also proposed an alternative. So the alternative proposed by the 57 democratic organizations yesterday is the third alternative that has been proposed.

The 57 organizations proposed there be a representative of the Armed Forces in the new CNG, one they themselves will nominate. They also asked that Mrs Claudette Werleigh be a member of this CNG as the representative of rural women. Mr Gerard Duclervil would be on the council representing the democratic and religious sectors. There would be a representative of the human rights organizations, who has not yet been chosen, and the vice-president of the supreme court of appeals, Mr Felix Kavanagh. The president of the CNG would be elected from among those five members. The five members would get together and elect the president. However, they say the member of the Armed Forces must come right after General Namphy and General Regala; that is, that the third-highest-ranking member of the Armed Forces must be the Armed Forces representative.

They said these people would guarantee the Constitution would be applied, and they would take the country's current business in hand. They would also provide the means necessary for the Provisional Electoral Council [CEP] to organize free and honest elections. The new council would be empowered to ensure peace and security in Haiti within respect and sovereignty, and they would address themselves to the people's most pressing needs.

According to the organizers of the strike, the coordinating committee of the 57 organizations, the new government would be aided by a 15-member departmental council: 2 representatives elected from the democratic, socio-professional, and union organizations, and 2 representatives per department. [sentence as heard] The committee also asked the people to express its approval of the new CNG; that is, to make themselves heard, to participate massively, nationwide, in the demonstration scheduled for tomorrow. They also said they are ready to discuss the conditions for the transfer of power. They added that if Gen Namphy refused, if he does not accede -- that is, if he won't transfer power before Monday morning at the latest, the people's sovereignty will go into action and employ another form of peaceful struggle. [passage omitted]

Meeting Called

FL101245 Port-au-Prince Domestic Service in French 1600 GMT 9 Jul 87

[Text] In a press statement dated today [9 July], the Confederation for Democratic Unity [Konfederasyon Inite Demokratik -- KID] invites political party leaders and the leaders of democratic organizations to a meeting whose goal is to decide on a common alternative capable of taking the place of the CNG. In this connection, our reporter Louis Seize France interviewed Paul Evans, also known as K. Plume, who talks about this meeting.

[Begin recording] [Evans, speaking Creole] (?It's) a meeting of all the organizations which have proposed an alternative to the CNG, which the whole country is telling to pull up its cassava plants and move on off the land. And if the cassava is harvested, we can't let it rot -- we must dry it, pound it into flour, and make cassava bread with it. And the democratic sector, the humble sectors, and the political parties must get together -- the small Catholic parishes, usually rural or in the outlaying areas of cities, with them an alternative. There have already been several alternatives proposed, without a the KID taking the initiative of inviting all sectors which have already proposed an alternative to get together and propose a single alternative, so that everyone can agree on it and so that we can replace the CNG before long.

[France] What if that alternative... [changes thought] you don't manage to replace the CNG? What position will you take?

[Evans] Well, either the country belongs to the people or it belongs to the CNG. If the people are in agreement with the CNG, the CNG will stay. But if the people say the CNG must go... [changes thought] It may not go today, or tomorrow, or this month, or next month, but I think the will of the people is the will of God. We've had this experience with a lot of other governments, and we think the Haitian people have a bit of experience. (? It has already cut iron bars. Why shouldn't it be able to cut rotted wood?) [end recording]

3 OPPOSITION LEADERS CALL STRIKE UNTIL CNG FALLS

PA100102 Paris AFP in Spanish 2350 GMT 9 Jul 87

[Text] Port-au-Prince, 9 Jul (AFP) -- A call for a general, unlimited strike in Haiti, beginning Saturday morning and lasting until the CNG headed by General Henri Namphy falls, was made today by three Haitian opposition leaders.

The three leaders, Sylvio Claude, of the Haitian Christian Democratic Party, Bernard Sansarico of the National People's Party of Haiti; and Yves Volel, of the Christian Democratic Group, met at the headquarters of the coalition for the final struggle. They asked the Haitian people to "peacefully but completely" paralyze the country's economic life to force the CNG to leave power.

They also asked the people not to undertake violent actions against stores that are open but, instead, to boycott them.

Two spokesmen for the general strike coordinating committee, which groups 57 organizations, said "they were unaware of this initiative," when questioned by AFP this afternoon.

For its part, the Haitian Armed Forces general headquarters warned the people this afternoon of a possible infiltration by armed provocateurs of the anti-CNG demonstrations scheduled for tomorrow Friday.

According to the general headquarters, these provocateurs, who "even plan to wear military uniforms to sow confusion," plan "to fire on the people and create disturbances to later blame the Haitian Armed Forces."

JAMAICA

ANC PRESIDENT OLIVER TAMBO ARRIVES, MET BY MANLEY

FL022232 Bridgetown CANA in English 1916 GMT 2 Jul 87

[Text] Kingston, Jamaica, July 2, CANA -- The president of the African National Congress (ANC), Oliver Tambo, arrived today on a four-day visit as guest of the opposition Peoples National Party (PNP).

Tambo, who arrived from Cuba, was met at Kingston's Norman Manley Airport by PNP leader Michael Manley, party chairman P.J. Patterson, and other senior officials.

Tambo's major function here will be an address to the PNP's founders banquet Saturday night, as well as a public lecture at the University of the West Indies Sunday.

He will also pay a courtesy call on Governor General Sir Florizel Glasspole and meet Foreign Minister Hugh Shearer.

He is to also meet church leaders and anti-apartheid groups.

DUARTE SPEAKS ON ECONOMIC POLICIES, GROWTH

PA091700 San Salvador Domestic Service in Spanish 0100 GMT 6 Jun 87

[Speech by President Jose Napoleon Duarte; date and place not given -- recorded]

[Text] Good evening, Salvadorans. Yesterday I explained our three most important economic policies: promoting the country's productivity, instituting the new theory of turning the country into an exporter, and providing incentives and making efforts to change the country's basic economic foundation. I told you that today I would discuss each product affecting our economic foundation: sugar, coffee, cotton, and cattle. Today we will discuss these products along with basic grain so the people involved in these fields and the Salvadoran people in general can see how we are trying to increase production and productivity so we can all work our lands, so there can be wealth and work, and so we can confront unemployment and serious poverty, which is the nation's greatest problem.

In each of these fields you will find the government's position -- an open, willing, and thought-out position -- to offer the largest amount of incentives to allow producers to earn a lot and, at the same time, help make the country wealthy and to allow the wealthy to stay wealthy and become even wealthier.

However, this wealth must serve to produce more wealth in the country. This wealth must not remain stagnant. It must not be used for people's enjoyment but to produce wealth. By producing wealth and improving distribution we will create social justice. This is our effort to create the new social, democratic state, which is the objective in the struggle against serious poverty.

Now I will discuss a few of the many forms of production, special incentives, and special measures for each of these four fields of agricultural production.

I must discuss sugar before coffee. We will maintain our production of 6 million quintals of cane products. We have already negotiated a price with the cane producers that truly benefits them. We have lowered our interest rates, and we have lowered the prices of raw materials, especially fertilizers, which provides them a wider margin of profits. This also will allow us to change our policies and give incentives for productivity. Unfortunately, productivity per ton of cane has dropped. It should be at approximately 2 [quintals], but it stands at 1.6. This means there has been carelessness in cane production. We are going to give attractive prizes to those who reach certain levels of productivity. This is an important policy because the more juice the cane has, the more sugar or alcohol we can produce.

Within this policy, we are trying to maintain the 6-million quintal level because the country's internal consumption is 3.2 million quintals, and we have a half million quintals for export. This makes 3.7 million quintals. With 6 million we would have a 1.3-million surplus that we would have to sell on the world market. However, as prices on the world market are low, we are looking for a way to convert those tons of surplus production into byproducts that can be exported or used domestically. That is why we have carried out the alcohol plant plan. One of these plants is already operating. At this moment, two more are being approved, and a private company is being encouraged to establish its own alcohol plan.

These alcohol plants will consume the surplus so we can export alcohol and liquor and use alcohol to reduce gasoline costs. This is our sugar policy, which also includes all the incentives I have discussed in general terms.

The objectives of our coffee policy are the following: We now have 2.9 million quintals, plus 210,000 quintals for domestic consumption. This makes a total of 3.1 million quintals. We are trying to raise this figure to 3.5 million quintals of top grade coffee. To do this we must increase our efforts to cultivate coffee. If we use fertilizer, improve cultivation, and eliminate shade; if we do what is necessary to increase production; if we take care to prevent plant rot and stalk-borer [broca]; and if we try to protect and improve the foliage of our coffee crops, our production will improve.

Our first objective, therefore, is as follows: Because we have been undermined by [word indistinct], destruction, and war, and because part of the production we expected to help us maintain the 3.5-million quintal level has been destroyed, we must now recover that level of production. Despite the war and all the problems it has caused us, we must reach the 3.5-million quintal level by intensifying our cultivation efforts. This will increase our country's production and allow us to maintain our international coffee quotas.

The second objective is to move toward the medium term. We need to increase our coffee production. Our objective is to increase production to 4 million quintals of top grade coffee. To do this we will require a policy that lets us plant and replant on the coffee plantations using modern technology. In earlier times it was believed that a plantation could have between 800 and 1,000 coffee plants per manzana. Today we speak of plantations that have 4,000 coffee plants, and, obviously, with all the new cultivation techniques, production and productivity have increased. It is a matter of increasing production by planting and replanting coffee in lands of medium and high altitudes.

What are we looking for? We want to replant on the plantations so we can increase production within 3 years, because it will take the country 3 years to grow. We must increase our growth on a yearly basis so that within 3 years we can reach the production level of 4 million quintals. To achieve this we need two policies: We must replant, and we must plant in those areas that yield the most. If we replant new crops in [word indistinct] earth, production will be low, but if we plant in medium- and high-altitude lands, the prices will be better protected, and production will increase. Instead of a national average of 12 quintals per manzana, we can produce up to 40 or 50 quintals per manzana on medium- and high-altitude lands. It is a matter, then, of having a policy of increased coffeee production. These policies imply that any increase in productivity and production will lead to an increase in prices on the surplus during the last three crops.

Each coffee grower has an average production. INCAFE [National Coffee Institute] has all that information, and all coffee growers know it. Any increase over this average production reached each year will allow coffee growers to get from INCAFE a bonus on the final price they get for their crop.

Regarding the recycling of payments to refinance outstanding coffee debts, the Central Bank has agreed to create a fund that will be used on a priority basis. We opened a 175-million colones credit line to refinance coffee growers who have had difficulties and bank debts.

This line was suspended, but now the coffee growers have begun to make payments because they must pay every year. We will accumulate their payments in this fund and use it to lend money.

To whom will we lend this money? First, we will lend it to those coffee growers who already submitted requests that have been studied and evaluated. The loans will be granted at a 6-percent interest rate and will be paid in 5 years. This is one step to help coffee growers unable to get credit in the previous line. Second, we will devote the remainder of this fund to finance the planting and replanting of new coffee bean saplings. To do this, the MAG -- the Ministry of Agriculture and Livestock -- will try to offer 50 million coffee bean saplings over the next 3 years. The planting of these 50 million coffee bean saplings means that there will be 50,000 quintals of coffee produced in 3 years.

This is our goal. We think that with the credits that will be granted for private nurseries and the INCAFE offer there will be an increase in production and productivity.

When these two programs end, the fund will serve to finance other food crops or farm production. Then we will refinance balances due in other crops [words indistinct] cotton, sugar cane, and the cattle sector.

Third, we will propose an amendment to the INCAFE law -- you are already aware that I proposed it -- to give qualified export agents and producers the option to export [words indistinct] up to 20 percent of the national coffee production.

INCAFE will indicate the conditions for future sales, quality, brands, and price levels for the marketing of that product. Allow me to explain this for a moment. The previous coffee export policy was based on speculation. The coffee growers, processors, and exporters were all speculating. With the INCAFE policy, we established that one must not speculate. We must sell coffee on a continual basis to maintain a permanent presence in the world market. In addition, price must be a result of a national average. The country should not be made to run the risk of losing large sums of money by participating in the speculation game.

This is the policy we have tried to follow in the past 3 years. We feel that this must continue. We must force 80 percent [of the coffee harvest] to remain at a fixed price to restrain any speculation, allow INCAFE to sell the coffee according to sales programs called [name indistinct] contracts, and be able to place 20 percent of the harvest on spot [preceding word in English] markets to obtain better prices for that portion.

However, based on what? Based on the export of a better quality of coffee. There used to be what were described as coffee brands in El Salvador. In that case, there was a difference of $10 or $20 in bonuses paid. We must make that system work again. This is one thing that must be corrected. Therefore, we will try to make INCAFE implement this policy, giving the title of export agents to all those who can produce better quality and brands, so they receive better revenues. This is important.

We will implement a policy that we already tested this year, one that has worked out very well. INCAFE will pay to the banks, on behalf of the coffee growers, a sum that is equivalent to the balance owed plus interest up to a figure equivalent to the value of the coffee delivered on the [word indistinct] maturity, as an advance on the liquidation. Coffee growers who do not owe anything will receive, after they submit their request, the same advance for the value of the coffee they delivered.

Let me explain what this means: Until now, coffee growers paid 17 percent of the balance due on their loans, 2 percent as a late charge, and 21 percent on loans with collateral. In addition, INCAFE paid 17 percent to obtain the funds to purchase the coffee. All this, (?of course) is added to the cost of the coffee liquidation. When we summed all those, the interest figure was 57 percent. With this policy, what we are saying is that, as of right now, the coffee growers will only pay 15 percent, because the day on which his payment is due, INCAFE will guarantee that it will disburse an advance equal to the balance due. Therefore, this means that coffee growers will not be late on their payments and will not have to provide collateral for the loan.

Consequently, this will mean a reduction, because we also reduced the interest by 2 points from 17 percent to 15 percent. This will considerably decrease interest rates, and thus, in the liquidation, the coffee growers will be benefitted. This is what is meant by this measure. We implemented it this year, and we know the coffee growers are pleased with it. We are applying this same policy to all crops produced in the country.

Payments will be made after the harvest based on an average yearly price. This will prevent speculation and ensure that all of us will receive equal pay for each cent of coffee we produce.

To reduce production costs, the MAG [Agricultural Ministry] -- this is in connection with agricultural supplies, particularly ammonia sulphate and other products and formulas -- will authorize supply imports beginning in July of each year. This will give merchants and cooperatives time to purchse these supplies, import them, and buy that at a lower price. We believe we can reduce by $15 per ton the price of supplies if these negotiations are completed on time. The amounts and quotas of agricultural supplies correspond to the minimum requirements for the implementation of the agricultural plan we have drafted.

In September, the Central Reserve Bank will determine the availability of funds to open letters of credit. Therefore, supply purchases will begin to be negotiated in July and dollars will be guaranteed in September. Imports can then begin so that they will arrive in December, with enough time for the next harvest. This is the goal.

A government commission will be established to review INCAFE operation costs. We will determine actual administrative costs as well as divide the three main functions of the institute. These include processing, exporting, and financing. We are examining this possibility.

Eighth [as heard], we will try to reduce the costs of the agrarian reform cooperatives. There are two options for this. The first is to purchase several processing plants that already exist in some areas; the agrarian reform cooperatives already have begun to purchase them. The other option is to set up small processing plants. If there is water, these processing plants can operate at a low cost; therefore, profits of the agrarian reform coffee cooperatives can be greater.

The same can happen with all other cooperatives. Farmers can organize into cooperatives and obtain similar benefits. We will also attempt to negotiate with private processors a reduction in processing rates.

We believe -- and growers know this -- that the processing rate they are charging right now is too high; so much so that processors are able to pay bonuses to growers who give them their coffee. INCAFE has been paying up to 40 colones-per-quintal bonuses. Some processors have paid up to 50 colones-per-quintal when the coffee is delivered to their plants. This means that there is a possibility of reducing processing costs to acceptable levels that will allow price differences to benefit growers. We need to increase production and we want everyone to make money. However, the profits must be acceptable and fair. This will benefit other sectors of Salvadoran society.

In connection with tax payments, we will deduct from coffee farm net assets the value of the coffee seedlings used to replant farms. The MAG will fix the price of the coffee seedlings. This will promote planting. Each coffee seedling certified by the ministry will be deducted from the farm's income tax. The more coffee planted, the greater the discount. This will benefit farmers as well as the country. This is the coffee policy.

Now we will briefly discuss the cotton policy. We need to increase production. Last year, 18,000 manzanas were planted. This year the goal will be 30,000 manzanas. However, we also thought that if we can obtain financing to refinance farmers who meet the requirements -- farmers able to put into production more than 32 quintals per manzanas, and who were good debtors, but due to the war or price decreaes were depressed and suffered losses -- then we need to seek refinancing for these people to make them eligible for credit again so that the land under cultivation will increase up to 40,000 manzanas. These are our two goals for this year. For subsequent years, the goal will be 60,000 manzanas. We believe this is the maximum acceptable.

The first goal is based on domestic consumption. We can guarantee that if the country produces 30,000 manzanas, textile manufactures can utilize what is produced from those 30,000 manzanas of cotton. That will prevent the need to import cotton.

If we produce more we will have to export. Right now, thank God, international prices are stable, and we believe it is possible to guarantee -- and this is an action that COPAL, the cotton growers cooperative, must take -- future sales contracts to guarantee prices. This will be the same that we are doing with INCAFE, establishing sales and supplying contracts so that cotton may be produced and exports take place with the certainty that our market is guaranteed. This is the policy we want to implement and carry out with COPAL and everyone. We will take refinancing measures in connection with old cotton debts at the Commercial Mortgage Bank with 6 year maturities and a 10 percent interest rate. The banks will refinance old debts of cotton growers who will be selected by a commission that will establish who will receive cotton credits. This commission will be made up of a commission that will establish who will receive cotton credits. This refinancing also includes refinancing for the eastern area. This was already approved and is available to the various agricultural, industrial, and commercial sectors in eastern El Salvador.

Second, the Central Bank will try to contract and establish a production guarantee insurance that will guarantee cotton prices for the 1987-88 harvest for a value of 10 million colones. We are going to deposit those 10 million colones as a guarantee for cotton prices and production. This is a new idea. We are seeking what is called a production guarantee, a production deposit, which is a guarantee for farmers when they produce.

Cotton has been the more affected product, because producing it is a very risky undertaking. Therefore, we are going to begin with cotton production. We are going to revise the law on cotton cooperatives to allow freedom of cultivation, the use of gins, and the internal commercialization of cotton among producers.

We think that it is necessary to create possibilities for some producers to have their own production centers in their farms, even if this is accomplished by purchasing from the cotton cooperatives, so they can at least have small gin to reduce costs, including transportation and administrative costs.

This is an idea that of course must be discussed with the producers. We also have to assure COPAL that it will be able to provide anything that producers lack and that it will not continue to operate at a loss, as has happened until now.

That is why we are trying to negotiate both the domestic and export sales of futures of part of the coffee [corrects himself] cotton harvest to guarantee producers' basic internal prices. That is a mechanism that is already being used with coffee. In this way we are guaranteeing basic prices, and this measure should be applied in cotton production.

We have generally sold cotton on the spot market, and no supply contracts have been made. It is good to make such contracts to guarantee basic prices for export activities and for internal market demands. The main point is that it is necessary to create a procedure to guarantee cotton sales.

In addition, COPAL owes a considerable amount of money to the Central Bank, and the Central Bank is in some ways controlling part of COPAL's activities. We want this control to be more efficient. To do so, the government, COPAL, and the Central Bank will jointly create conditions to help COPAL with its internal and foreign trade, with the commercialization of production elements, with services, and with the quality control of fibers.

One of the most important things in cotton production is the size and quality of the cotton fiber. We cannot sacrfice quality, because our local and foreign markets are based on the quality of our cotton. We need to be concerned with quality. If we do not have enough seeds to produce high quality cotton fibers, then it would be a good idea to import them to make up for any quality deficiency we might have. If we do have a deficiency, we should be concerned with sowing and cultivating in a way that will produce good quality, type, and size of cotton fibers. This will make it possible to obtain the best price for our cotton.

We are going to reduce the price of fertilizers and insecticides. We have already done that [as heard]. The [acronyms indistinct] laboratories are going to set controls and certification systems for the quality and weights of herbicides and pesticides. We have already reduced the price of fertilizers. The 220-lb bag that cost 72 colones, now costs between 50 and 55 colones. In other words, we lowered the price by more than 22 colones per quintal [corrects himself] per bag. That is important, because fertilizers are one of the biggest expenses of various products, including cotton.

The problem with insecticides is their quality. Therefore, through the [acronym indistinct] laboratory we are going to hire [acronym indistinct] to issue a certification for those products, because many cotton growers complain about the quality of pesticides and insecticides. Insects do not die, they multiply, and that reduces production and creates problems for cotton growers.

We must guarantee the quality of those products. This will permit farmers to use less pesticides and to irrigate less, which will reduce costs and increase cotton growers' profits. COPAL, cotton growers, the government, and technicians must work together if there is to be success in reducing production costs.

We are going to negotiate with COPAL the division of the norm of cotton growers' benefits to reduce producers' costs and other expenses so that they receive a fair income. I do not think it is fair to pass any cost problem of COPAL onto current cotton growers. We have to develop a plan to reduce those expenses. This is all I have to say regarding cotton production.

I am going to briefly discuss the remaining two agricultural policies. Those are the policy on basic grains and the policy on cattle. Of course, I will deliver a speech to the basic grain agricultural sectors, the peasants. I will also provide a specific explanation to the country's cattle sector.

I am now going to present an outline for the basic grain policy, which includes our four traditional products: corn, beans, rice, and sorghum. Of course, we would have to include other products like sesame seeds, etc, but today I want to talk only about basic grains.

Production is divided in two parts for the basic grain harvest. The first consists in guaranteeing the minimum production of basic grain to meet internal consumption, and the second has the objective of obtaining a surplus that serves as a reserve to meet variations in demand.

The following is our production table: We think that we should produce a minimum of 10 million quintals of corn; we could even try to produce 12 million quintals; a minimum of 1.2 million quintals of beans, and a reserve of 1.5 million quintals of beans. We should produce a minimum of 700,000 quintals of rice, and if we include the reserve, we should total 1 million quintals of rice. In addition, we should produce 3 million quintals of sorghum, with a reserve of 4 million quintals.

I repeat, the goal is to prevent a shortage of basic grains in the country and to have a reserve. If we surpass the minimum production levels, we will export basic grains. Those are our goals. We have devised a series of policies to achieve those goals. Any farmer who for the 1987-88 [dates as heard] harvest delivered to the IRA [Supply Regulation Institute] his corn harvest by order of the Agricultural Development Bank of Fedecredito [Federation of Credit Banks] or any other bank of our banking system will be up to date with the agricultural loans granted to him, and he will be eligible for new agricultural loans for the 1987-88 [dates as heard] harvest.

This is the same policy we have applied to the coffee sector. When the loan comes due, the farmer will not have to worry any longer about whether he owes the bank, whether he has to make a payment to the bank, whether he will be charged more interest, whether he will have to provide collateral, or whether he will get a new discount.

All those things should be covered. When the Agricultural Development Bank grants a loan to a farmer and sends his product to the IRA, the bank will automatically pay off the loan on the date that it comes due, and the debt will be a matter between the IRA and the bank. This is the policy. This is the new concept designed to reduce costs that we mentioned earlier when we discussed the coffee industry.

You will recall that I discussed these loans, surcharges for late payment, loans with collateral, and other loans to purchase seed or coffee, which, in this case, cost 51 colones. The interests on these will be reduced considerably. This is the overall loan policy, which is for all products and in this case is applied specifically to basic grains.

The policies, then, are: first, the policy of outstanding loans, which you have seen here. The second will be the interest policy. In line with this policy, we have lowered interests to 13 percent for basic grains. This was requested by the peasants some time ago. They wanted a reduction of interest rates, and we are complying with this request.

The next policy is that elements of production will be reduced in price. They cost 72 colones, and they will be reduced to between 52 and 50 colones per quintal. Thus, we are going to reduce the cost of seed for all these basic products by 22 colones per 220-lb bag. The reduction of interest rates and the reduction of the cost of seed were the two things that the peasants were requesting to make greater profits from their crops. We are granting these two requests through this plan. In addition, we are reducing the increases in interest rates, and finally, we are refining the marketing process. We will seek a way to improve the process so that the IRA can fulfill the mission for which it was designed. The IRA is not supposed to be an instrucment for subsidizing farmers. Its function is simply to acquire reserves to protect the country's supply of these products. This is the policy.

Therefore, we are going to correct the deficiencies in the concept of the IRA to ensure that it fulfills its true mission, which is to protect prices and reserve supplies, so there will be no shortage of basic grains in the country.

However, we are then obliged to rescue the IRA from the deficit situation it is experiencing. year after year, for 20 years, it has been necessary to subsidize it, and the money that was to serve as its basic fund for purchasing products has been spent. Its purchasing capacity has been declining.

Thus, we are going to make a plan to rescue the IRA and give it the necessary capacity to meet its objectives. That is the fourth policy, which is the marketing policy. Moreover, we are seeking to have the capacity to ensure that silos on estates, farms, and towns are purchased by farmers,by farming cooperatives, to enable farmers to store their grain at their centers of production and to sell directly, without going through the IRA system.

This will solve one of our problems, which is perhaps the most serious problem faced by the farmers and the IRA. It is the middleman. These are the intermediaries that we describe in slang as coyotes. They are the ones who make the profits. They are the ones who cause the price of the product on the market to increase, because, on the one hand, the IRA has to compete with them, and, more seriously, they use what is called an about-face; they buy the product and then turn right around and sell it. This cannot be allowed, because it is equivalent to a subsidy for middlemen, who are producing nothing. Thus, we are also going to correct that defect. Salvadoran people: This is my presentation of this basic change that we are making in the structure of the national economy.

I repeat that a part of this plan concerns the economic sector, as I have begun to explain. In that economic sector, we have a number of objectives: increased exports; reduced imports; increased GNP; preservation of our reserves; maintenance of the exchange rate at 5 to 1 without a devaluation; reduced inflation through policies like the one we are applying to medicines; a reduced budget deficit; and increased production to achieve self-sufficiency, particularly in basic grains and medicines, as you can read here in your plans. We also want to increase available housing; improve the quality of all products through interest rates and reducing the cost of elements of production; replace imports so factories can sell more goods domestically; increase employment of course; and carry out the program of reconstructing San Salvador that we are already implementing.

All of this has an influence on the economic sector. All of this will begin this year, but the impact will not be felt just this year but in the future as well. We are changing our policy of producing traditional exports, such as coffee or cotton when the price is good, and our very deficient production of goods for domestic consumption. Now, with a new mentality, we are orienting ourselves toward the future. We believe this country has a single destiny: to become an industrialized country, a country that exports, a country that is competing worldwide with other countries whose conditions are exactly like ours: Japan, Korea, and Taiwan. They do not have resources, but they have people. We do not have resources, but we have hardworking, capable, and enterprising people. Farmers and businessmen should open their minds to be able to make a special effort to achieve production and productivity.

If they do this, the state will support them with all these measures, which are incentives to ensure that production and productivity will not only serve to provide wealth and profits to the businessmen but will be distributed through a democratic social system.

Salvadoran people: The state will (?soon) present the other aspects of the plan, and [11-second break in reception] with hope, I hope this program will be accepted by all sectors. Together, on the basis of these conciliatory efforts, we will be able to increase production, cultivate all of our land, successfully meet the production quotas of all the agricultural products that we have mentioned, increase production and productivity in industry, and guide the country toward the new export policy.

COPREFA REPORTS JUNE MILITARY ACTIONS, CASUALTIES

PA031648 San Salvador Radio Cadena YSKL in Spanish 1600 GMT 29 Jan 87

[COPREFA report]

[Text] This is a summary of events that took place throughout the country in June: In various counterinsurgency actions, the terrorists sustained 71 dead, 74 wounded, and 5 captured. Also, 97 rifles of various calibers, 3 rocket launchers, 1 grenade launcher, 1 machinegun, 11 grenades, 251 mines, and 2 communications radios were seized. In different terrorist actions, FMLN groups killed 18 civilians, wounded 16 and kidnapped 82. Explosive traps, which they call mines of the people and revolutionary mines, killed 1 civilian and injured 18. Terrorist groups continue to cause destruction on the national economy. They attacked 21 vehicles and burned an hydroelectric plant in San Miguel Department.

ORTEGA NEWS CONFERENCE ON OBANDO Y BRAVO COMMENTS

PA061959 Managua Radio Sandino in Spanish 1441 GMT 6 Jul 87

[News conference by President Daniel Ortega with unidentified reporters on 5 July as he was leaving the hospital after having visited Father Ignacio Urbina -- recorded]

[Text] [Reporter] Commander, good evening. How does Father Urbina feel?

[Ortega] He has a high Christian morale, always willing to continue his work with the peasants. As you heard him say, he cannot understand this and feels there is no justification [words indistinct]. As we said earlier, he is a victim of this U.S. terrorist policy, just like Brother Tomas [Zavaleta]. If Reagan were not distributing money and weapons to the mercenaries, there would be no mines in Nicaragua, and there would be no war in Nicaragua.

[Reporter] Commander, Msgr Obando y Bravo said today that he doubted the counterrevolutionaries murdered the Salvadoran friar. What do you have to say about this?

[Ortega] Msgr Obando y Bravo knows perfectly well who is murdering the Nicaraguan people. However, Msgr Obando y Bravo is receiving funds from the CIA. Thus, it is logical that he should speak like that. He is receiving payment from the CIA and thus it is expected that he should speak for the CIA.

[Reporter] On Sunday, Cardinal Obando y Bravo made his statement. On Saturday, Father Antonino Vaccaro, an Italian priest, said over Radio Sandino that the people must be told that the contras are winning and that they are not being defeated. He then referred to 8 years of war and things like that. Are the attitudes of Cardinal Obando y Bravo and Father Vaccaro shared by the Episcopal Conference, or are these isolated instances?

[Ortega] These are isolated instances. I do not think that the majority of priests support the aggression and death that Reagan has brought upon us. They support the people, the peasants, the workers. [Words indistinct] Cardinal Obando y Bravo and as it has been said -- we have not reported this; it was not reported by Nicaragua but was reported in the United States -- he received money from the CIA. Only God knows how much money the CIA has given Msgr Obando y Bravo, Cardinal Obando y Bravo. It is logical that he should speak as he did today, trying to justify these criminal actions. He does not have the courage or the moral authority to condemn them.

[Reporter] Concerning the crisis in Panama, the [words indistinct] are calling for strikes tomorrow in private schools, and professional groups. If the crisis continues to grow, do you think there will be repercussions in Central America, particularly because Panama is a member of the Contadora Group?

[Ortega] This campaign of destabilization in Panama is being promoted by the United States, because it wants to create more instability in the region. This will continue to increase tension in other parts of the region and does not help to achieve peace. It will not help in reaching a solution to the conflicts, which have been provoked by the United States. I think this shows the United States is interested in increasing tension in the region.

[Reporter] Do you have any comments on President Eric Arturo Delvalle's speech tonight?

[Ortega] Well, we have not heard the speech yet. We were in Matagalpa, as you know. I therefore cannot comment on the speech. However, as we have said before, we support the Panamanian people, their government, and the Panama Defense Forces.

[Reporter] In spite of the situation resulting from Cardinal Obando y Bravo's attitude, we would like to ask the president of Nicaragua to analyze the [words indistinct] as he is the cardinal of the Catholic Church.

[Ortega] We do not understand the cardinal's attitude. As a cardinal, he is a religious leader and a pastor of the Nicaraguan people, but he is not acting as such.. Instead, he is acting as a person earning a salary from the CIA. He is acting as an accomplice to crimes committed by Reagan. The blood that is currently being shed demands justice, demands protests, and demands a firm stand by the people. As cardinal, he should not assume the role of accomplice in these crimes. This shows he cares very little for the blood shed in our country.

[Reporter] [Words indistinct] director of the Franciscans for Central America and Panama said today in his homily in memory of Brother Tomas that the Franciscans here would not give up, as we say everywhere in Nicaragua. What do you have to say about the stand adopted by the Franciscans?

[Ortega] The Franciscans have been noted for supporting the humble people, the peasants. In Matiguas, they organized a community project, a cooperative with over 1,000 peasants. Father Ignacio and Friar Tomas were working on that. We feel that they are doing very positive work for the poor. It is truly Christian work; it is evangelizing work among the peasants. They are working, living, and also dying there with the peasants. They are an example for those who are accomplices to the crimes committed against the Nicaraguan peasants. As I said yesterday, Friar Tomas and all the other Franciscans have been serving the people and have been sacrificing themselves for the people. Friar Tomas is a martyr of the Nicaraguan people [words indistinct].

[Reporter] Commander, does Cardinal Obando y Bravo's attitude change the interests of the Nicaraguan people in promoting the state-church dialogue or church-state dialogue?

[Ortega] Yes, we must think this over. On one side, there are the charges that Cardinal Obando y Bravo is receiving money from the CIA. There has not been any explanation of this by the cardinal. There has been some [words indistinct], but without any foundation. The type of statement he made today confirms that he is truly receiving money from the CIA. It is very difficult to hold a dialogue with someone who is receiving funds from the CIA. We would have to hold a dialogue directly with those who are making the payments. Thus, we have to ponder this situation. As we have said before, we continue to voice our willingness to hold a constructive dialogue to alleviate the tensions that have been created. We hope this dialogue will contribute to achieving peace for the Nicaraguan people.

[Reporter] Thank you. [end recording]

BULGARIA'S NARODNA ARMIYA INTERVIEWS BORGE

AU251833 Sofia NARODNA ARMIYA in Bulgarian 16 Jun 87 p 4

[Interview with Tomas Borge, member of the FSLN National Directorate and minister of interior, by Lyudmil Totev in Sofia on 11 June]

[Text] [Totev] Commandante Borge, what is the situation in Nicaragua 8 years after the victory of the Sandinist revolution?

[Borge] At present the situation is very dramatic. The armed counterrevolutionaries are causing much damage and sowing death. There are already more than 40,000 casualties. This is the present tragic account. The Nicaraguan people made a great effort and suffered many casualties, but they are winning or, more precisely, have already won this year.

U.S. imperialism invested about $1,800 million in the undeclared war against our country. The difficult economic situation in the country is the price we had to pay to win the struggle.

We inherited from Somoza an underdeveloped semiagrarian country with a semifeudal system and an underdeveloped economy. In short, we began to restore a very underdeveloped country. We are no exception. Many countries, including Bulgaria, have traveled this road.

We shall doubtless overcome this stage of backwardness.

[Totev] Can we say that the struggle against counterrevolutionary groups will soon be successfully concluded?

[Borge] The counterrevolution already has been defeated. Its forces are exhausted. The war is decided neither from the position of power nor by the material means supplied by the United States, but by moral forces.

The end of the counterrevolutionary forces was predetermined by the defeat of their spirit.

[Totev] What is the role of the Sandinist army in defending the population against the contras' terrorist acts, and is it ready to repel an eventual armed aggression?

[Borge] Our people are the basic force of our resistance against imperialism. The Nicaraguan people are ready to defend themselves against any U.S. aggression, because everyone knows the price we have paid and the number of casualties we have suffered. The Sandinist army and the security units are ready to meet any foreign aggression.

[Totev] What are the main difficulties in the process of constructing new life and defending the revolutionary achievements?

[Borge] I think that backwardness is the basic difficulty. The struggle against backwardness is our most important task. [paragraph continues]

Imperialism will disappear from the face of earth one day, but what about backwardness, selfishness, greed, and bureaucracy? When all the negative characteristics of mankind disappear and the loftiest merits begin to assert themselves in our country and everywhere else, then we Sandinists will understand that we have implemented our revolutionary goals. Changing the people is the most important factor of every revolution. We must create noble people. We must plan not only 5-year plan periods for economic restoration but create people of a new kind.

[Totev] What are your impressions of the Bulgarian people?

[Borge] I think that if the question of voluntary assistance to Nicaragua's defense were posed, millions of Bulgarians would readily come to help. I take this opportunity to greet the selfless soldiers of the Bulgarian People's Army, our brothers-in-arms, whose readiness fully guarantees socialist Bulgaria's defense.

[Totev] Commandante Borge, would you like to tell us something about your personal life? What would you like to do in your free time, if you had any?

[Borge] A short while ago I was talking to Comrade Berrios, Nicaragua's ambassador to Bulgaria, and we accidentally touched upon the subject of the personal life of the revolutionary leaders and the political and state leaders of various countries. We found out that their private lives are very limited. We cannot afford the luxury of being careless, and we cannot go out alone. Our private lives have many limitations.

If I could do something else and not what I am doing now, I would prefer to work in cinematography. My personal vocation is cinematography, the preparation of scripts and movies. If I were not what I am now, I would like to be a cinematographer.

[Totev] What life did you lead until now?

[Borge] Because of the circumstances in Nicaragua, my personal life was devoted to illegal struggle. This is a life similar to that conducted by all revolutionaries, a life full of risks and dangers. After the victory of the revolution, my life, together with that of my comrades, became dedicated to the leadership of the country. I was entrusted with the post of minister of interior, a post whose incumbent is responsible for the country's security. I am pleased with my life. I am also pleased with my modest contribution to the Nicaraguan revolution.

[Totev] The soldiers of the Bulgarian People's Army, together with the entire Bulgarian people warmly support the Nicaraguan patriot's struggle for the right to determine their destiny alone, and for progress and social justice. What is your message to the soldiers and commanders of the Bulgarian People's Army?

[A facsimile of Borge's wishes in Spanish is carried by the newspaper, followed by the Bulgarian translation]

"We believe in the solidarity of the Bulgarian people and the BCP [Bulgarian Communist Party], led by our friend, Comrade Todor Zhivkov. We believe in the bold and disciplined Bulgarian People's Army and the skilled and selfless comrades from the Ministry of Internal Affairs. They are all loyal followers of Comrade Georgi Dimitrov, the brilliant teacher, son of the people, and father of the socialist revolution in Bulgaria.

"11 June 1987, Sofia, Tomas Borge"

CABINET SAID STUDYING NEW STATE OF EMERGENCY

PA100305 Paris AFP in Spanish 0235 GMT 10 Jul 87

[Text] Panama City, 9 Jul (AFP) -- The Panamanian Cabinet, which was summoned to an urgent meeting, is now studying the possibility of again decreeing a suspension of individual guarantees, government sources have told AFP.

The ministers -- summoned urgently by President Delvalle at 1900 (2400 GMT) -- could decree a "state of national emergency" to prevent tomorrow afternoon's demonstration of strength by the opposition, which is demanding the resignation of General Manuel Antonio Noriega and the formation of a new government.

"The situation has become critical, and it is necessary to prevent incidents that could further complicate things," a source who chose to remain anonymous stated.

Meanwhile, Radio Nacional [Panama Domestic Service] reported that three private vehicles were seized in this capital tonight carrying automatic weapons and fragmentation grenades.

The radio station also added that in the past few hours there has been an unusual arrival of "foreigners, Venezuelans" in the country, hinting they might be connected with the Panamanian opposition forces.

The climate of tension has increased as the night passes, and observers do not dismiss the possibility of an upsurge in violence tomorrow.

Schools, Banks, Offices To Close

PA100427 Panama City Domestic Service in Spanish 0359 GMT 10 Jul 87

[Text] The Press Secretariat of the Presidency of the Republic reports to the nation that:

1. Decree No 59 of 7 July 1987 orders the suspension of political demonstrations and rallies convoked for Thursday, 9 July, and Friday, 10 July, in Panama City.

2. This decree is still in effect, and jointly with this decree, orders have been issued to the Panama Defense Forces to enforce said decree.

3. The Education Ministry has ordered the suspension of classes in all public and private schools in Panama City on Friday, 10 July.

4. The national government has ordered the closing of all government offices on Friday, 10 July.

5. The National Banking Commission through Decree No 25-87, and based on Article 99 of Cabinet Decree No 238 of 1970, has decreed the closing at 1100 of all banking institutions in Panama City on Friday, 10 July.

6. All the preceding measures have been adopted to protect the people because it has been discovered that extremist groups involved in the seditious movement against the constitutional authorities have prepared acts of violence and attacks against the civilian population to provoke a state of anarchy that would create the necessary conditions for subversion and the overthrow of democratic institutions.

The president, in a meeting with the Cabinet ministers, repeated his commitment to enforce the Constitution and laws of the Republic of Panama, and to protect the lives and property of all citizens with all resources available to the authorities.

OPPOSITION FEARS 'ACTIONS' AGAINST U.S. FORCES

PA100620 Panama City ACAN in Spanish 0515 GMT 10 Jul 87

[Report by Martin Cabral]

[Text] Panama, 9 July (ACAN-EFE) -- Without renewing the state of emergency, the Panamanian Government reacted tonight against the protests called for tomorrow by the opposition.

There had been rumors tonight about the resignation of the commander of the Defense Forces, General Manuel Antonio Noriega, who is dealing stoically with a frontal assault by the opposition comprised by the so-called "Civilianization Crusade."

There are also unconfirmed reports in circles close to the government about alleged calls by radio from the area of the canal where the U.S. military forces are located. These calls urge "destabilizing" actions on Friday and the weekend.

On Tuesday, sources of the opposition Christian Democratic Party told ACAN-EFE their fear that the progovernment rally to be held today could end in actions by hotheads -- actions against Southern Command barracks in Panama, in the former "canal zone." These actions would be presented "as a Yankee aggression."

This would then provide a motive to declare a "state of emergency" and force a "leftist movement" in the peculiar Panamanian system of government, which Gen Noriega himself has defined as a "civilian-military symbiosis."

According to the Christian Democratic Party version, that possibility, in addition to an inability to control official paramilitary groups, moved President Eric Arturo Delvalle to prohibit the scheduled rallies -- one in favor of the government, for today; the other by the opposition, for tomorrow.

Those who called for today's rally adhered to the presidential decision and dismantled the huge platform that had been erected in the plaza where the Legislative Assembly is located.

Nevertheless, the opposition maintained its call for the rally on Friday, which is to be held in front of Carmen Church in the commercial-residential area.

The Ministry of Government and Justice formalized the presidential prohibition and notified the Defense Forces Command of the necessity to ensure that the government decision is complied with.

This creates the fear of a repressive action by public forces with unknown consequences, which does not exclude actions by "uncontrolled groups."

With the just-announced government decision to suspend schools and commercial and banking activities, the area of the capital that is usually the scene of rallies of the opposition -- which calls itself "the whites" -- is all but paralyzed.

Until now, the poor sections of the Panamian capital have had little part in the actions; however, in the old part of the city yesterday, there was a union demonstration composed of thousands of people who called for a national and popular "third way."

Protests, Noriega Removal Urged

PA090035 Panama City ACAN in Spanish 2248 GMT 8 Jul 87

[Text] Panama City, 8 Jul (ACAN-EFE) -- The rightist opposition today urged the people to strengthen the antigovernment protests and demanded "the immediate removal" of General Manuel Antonio Noriega and an investigation of the charges against him.

The five parties forming the Democratic Opposition Alliance, ADO, released a communique this afternoon demanding "the speedy establishment of a new government to replace the current militarist regime."

According to ADO, the new government "should be based on true respect for human rights and the full establishment of a de jure state, which should include the independence of the Judicial Branch."

The opposition also points out that the new democratic government should realize that "full nationalization is irreversible." Also, the opposition demands "the Panamanian state's real preparation to assume full responsibility for the administration of the canal and for keeping it neutral."

The opposition also pointed out that, regarding international affairs, the new government should take up "a position in accordance with national dignity and sovereignty and the joint fostering of peace and democracy in our region to assert the peoples' principles of self-determination and nonintervention."

The document, signed by the Authentic Panamenist Party, the Christian Democratic Party, [PDC], the Nationalist Liberal Republican Movement, the Authentic Liberal Party, and the People's Action Party, demands the "demilitarization of the state's civilian agencies through the legal integration of the public force within a legal framework that would ensure their professionalism, the stability of their career status, and their dependence on the executive branch."

According to the rightist opposition parties, the new government they demand should act "in accordance with an economic policy that makes fiscal considerations second in importance to national development and protects production, agricultural, livestock, and industrial activities."

In addition, the five opposition parties voiced "their support for the Civilianization Crusade as a movement that embodies various forms of peaceful protest in favor of the objectives of justice and democracy."

The Civilianization Crusade, which was created in early June right after the charges made by retired Colonel Roberto Diaz Herrera against the country's military high command appeared, organizes car caravans, masses for peace, and the honking of horns and the beating of pans to protest the current government.

Diaz Herrera, chief of staff until the end of May, principally accused Gen Noriega, Defense Forces' commander in chief, of involvement in the 1984 electoral fraud, of murders, and of drug trafficking.

Nevertheless, Diaz Herrera, 49, has not yet produced the evidence to confirm his charges against the military authorities.

On 9 June, the retired colonel's accusations against the top military leaders unleashed a wave of street violence that culminated in the establishment of state of siege throughout the national territory.

The wave of violence, however, worsened after the Legislative Assembly lifted the state of siege that had been in force for 20 days.

PDC President Ricardo Arias Calderon today asked the U.S. Government "to withdraw all support for the militarist regime" in the country.

NICARAGUAN EMBASSY ATTACKED; NO INJURIES REPORTED

PA100751 Panama City ACAN in Spanish 0723 GMT 10 Jul 87

[Excerpt] Panama City, 10 Jul (ACAN-EFE) -- A group of unidentified people this morning threw a homemade bomb at the Nicaraguan Embassy in this capital, a spokesman of the diplomatic mission said.

The device, which caused minor damage whose cost has not yet been estimated, caused no casualties, the official of the Sandinist government accredited in Panama added.

"I regret what has happened this morning, because my country has excellent relations with Panama and has nothing to do with domestic problems facing this friendly government," he said. [passage omitted]

RADIO WARNS OF 'STRANGE FORCES'; GRENADES SEIZED

PA100249 Panama City Domestic Service in Spanish 0156 GMT 10 Jul 87

[Excerpt] [Passage omitted] Highly reliable sources linked to the Panama Defense Forces have advised this station that some foreigners, mostly Venezuelans, have arrived in the country in the past few hours. Because of the current situation in Panama, the number of foreigners arriving in the country is unusual.

We have also learned that late this afternoon and early evening, the Defense Forces seized two Nissan Patrols and a Mitsubishi in which they found an unknown number of grenades, so-called fragmentation grenades, and large-caliber weapons. We feel that this radio station must warn the people because we do not know what those groups are planning to do.

The National Civilianization Crusade has repeatedly called for disobedience following the request made yesterday, and previously, by the president -- who requested the suspension of all demonstrations disrupting public order and peace. We must underscore that the UNADE [Democratic National Union] parties are respecting the president's request and have suspended the huge demonstration they had scheduled for today. However, political opposition forces and the National Civilianization Crusade have repeatedly ignored the president's request. Today's newspapers carry full-page invitations, issued by the political opposition forces and the National Civilianization Crusade, inviting followers to a demonstration to be held tomorrow. This is being done despite the repeated request made by the president.

With the honesty and objectivity that characterizes us and this radio station, we wish to issue a serious warning to the national community, especially to the residents of Panama City, regarding the presence of strange forces behind this whole political movement that is covered over in a civic disguise. This could lead the Panamanian people to chaos, and this can also cause sorrow and mourning among the Panamanian people.

NORIEGA INTERVIEWED ON CURRENT SITUATION

PA100713 Panama City ACAN in Spanish 0610 GMT 10 Jul 87

[Text] Panama, 10 Jul (ACAN-EFE) -- The Panamanian crisis is a "crisis of low political intensity," General Manuel Antonio Noriega, commander in chief of the Defense Forces, affirmed today.

When asked if he would resign as a result of protests against him, he responded that the substance of that question only expresses the opinion of 5,000 Panamanians. "I want you to ask the same question of the rest of the 2,000,000 Panamanians," he told the journalist.

In an interview with Manolo Alcala of Spanish television, the 49-year-old commander said he does not fear that a war may become entrenched in this country as has occurred in other Central American countries, because "in Panama there is no predisposition to violence."

In an effort to find reasons for the crisis that Panama has experienced for the last month, the military leader said that, beginning in 1968, the year in which the Armed Forces overthrew President Arnulfo Arias, "the wealthy class accepted the loss of political power, but it did not lose economic power."

According to government leaders, the oligarchy, which lost power with the 1968 military coup led by Omar Torrijos, now wants to regain power.

During the 30-minute interview, Noriega said the opposition protests are not directed at him but, instead, "go against a nationalist position," against the military institution, and against "a different military vision."

Asked whether there is an interest in weakening the Contadora Group, of which Panama is a member, the military chief said that each time the country does not line up with a predetermined political position concerning Central America, its leaders immediately are "subject to a disturbance."

Noriega reiterated that if the Panamanian leaders were "yes men" [preceding two words in English], there would not be any problems or protests.

Concerning the Panamanian Government and its Defense Forces, he stated, "the attack is preceding the conspiracy."

Concerning the United States, Noriega noted the country's various sectors, stating that it is a "very complex country." He confirmed that the belief exists in ultraconservative sectors that "Panama is a colony."

He said that "these people do not want more masters."

According to Noriega, the most recent attacks on Panamanian authorities stem from a warning that the return of the canal by the United States in December 1999, as mandated by the 1977 Torrijos-Carter treaties, is in jeopardy.

He added that Panamanians are shrewd and cast "some doubt" on the idea Panama will be prevented from operating the waterway as planned.

The fact that Cuba agrees with a "Panamanian position," Noriega said, does not constitute "ideological support" for Panama, a country that differs in many ways with the policy of the Caribbean island.

"Marxism was not made for Latin America," he said in answering a questioner from Spanish television, and he added that "Marx was not born here. Our peoples have different characteristics, and Marxism is not the solution for Latin America."

According to Noriega, during the 1970's the United States, with huge revenues from petrodollars, convinced Latin American countries to indebt themselves. "Economic experts from U.S. universities were reorganizing the economies of Latin America."

With the current Panamanian foreign debt of $4.5 billion, we could say that we "are the result of poor planning by U.S. experts," stated the officer.

Noriega has been the target of protests demanding his resignation during the past month. These climaxed as a result of statements by Colonel Diaz Herrera involving Noriega in the crimes of corruption, abuse of power, and assassinations.

According to Diaz Herrera, who was retired against his will on 1 June 1987, Noriega helped carry out electoral fraud against opposition candidate Arnulfo Arias Madrid in 1984, ordered the assassination of physician and guerrilla Hugo Spadafora in September 1985, and was involved in the assassination of General Torrijos of July 1981.

'THIRD WAY' REJECTS OPPOSITION, GOVERNMENT

PA090240 Panama City ACAN in Spanish 0112 GMT 9 Jul 87

[Text] Panama City, 8 Jul (ACAN-EFE) -- About a hundred Panamanian trade union and people's organizations today marched through the capital's central area advocating a "third position," different from that of either the government or the opposition.

The groups forming the Coordinating Board of People's Organizations of Panama, who rallied about 15,000 people, "oppose the government, the military, and the opposition."

Although not all the groups who participated in the march share the same views, they do agree that neither the opposition nor the current government are suitable alternatives for the people.

The demonstrators, who rallied despite the presidential decree issued last night banning all types of people's demonstrations on the capital's streets or parks, sang in chorus: "Only the people can save the people."

Tirades against the U.S. intervention in the country's domestic affairs and the currrent government's incompetence were also heard.

The National Council of Organized Workers, CONATO, with some 150,000 members, and the National Federation of Associations and Organizations of Public Employees, FENASEP, with 120,000 members, participated in the demonstration, which started at 1630 local time.

On behalf of the trade unions, CONATO's Hector Munoz asked for an inquiry into the charges that Colonel Roberto Diaz Herrera, retired, recently presented against General Manuel Antonio Noriega, Panama Defence Force commander in chief, and against other staff members.

Noriega has been accused of murder, drug trafficking, electoral fraud, abuse of power, and corruption.

The members of CONATO, the country's largest trade union coordinating board, said that Diaz Herrera's remarks "aggravated an already old economic and political crisis in which the United States has a hand."

They also reported that the U.S. Government is seeking to perpetuate its military presence in Panama even though there are treaties that set 1999 as the year for U.S. troops to leave the country.

Hector Aleman spoke on behalf of FENASEP. He asked the government "to make corrections" to resume the "people's" course laid out by General Omar Torrijos, who led the 1968 military revolution and who died in 1982.

Aleman asserted: "There is no solution for the crisis if the people's demands are not taken into consideration. Any government decision must consider our demands."

The strongest slogans, however, were those of students' groups and some small leftist parties, who openly demanded that both President Eric Arturo Delvalle and Gen Noriega be removed.

Youths of several secondary schools, the Panama University, and the Technological University shouted: "They will surely leave. Otherwise, we will topple them."

The "Third Way" march, which has made its first public appearance since the crisis began in early June, took place without any incidents.

PDC LEGISLATORS WILL NOT HEED CITATIONS

PA100009 Panama City Telemetro Television in Spanish 2300 GMT 9 Jul 87

[Relay from unidentified location]

[Text] Carlos Arellano Lennox, Guillermo Cochez Jr, and Raul Ossa, legislators of the Christian Democratic Party, [PDC] this morning said that they will not heed any citations from the superior prosecutor's office or the Attorney General's Office, because they believe that appropriate procedures, in keeping with their posts as legislators, are not being followed.

The legislators explained their situation to Acting Legislative Assembly President Argenida de Barrios, Chamber Secretary Erasmo Pinilla, and members of the Government and Credentials Commission.

[Begin recording] [Arellano] I wish to categorically state on behalf of my fellow legislators that so long as the Legislative Assembly does not make a decision, none of us will sign anything or show up at a government office. If they have to arrest us, we say: Come get us.

[De Barrios] We are in recess. The Judicial Affairs Commission will handle their request. We will investigate that and, together with the attorney general's office, what will be discussed [as heard]. We know perfectly well that at the present time no legislator in the country has immunity, because we only have immunity 5 days before and 5 days after [as heard]. [end recording]

EPISCOPAL CONFERENCE COMMUNIQUE ON SITUATION

PA090140 Panama City Circuito RPC Television in Spanish 0001 GMT 9 Jul 87

[Communique issued by the Panamanian Episcopal Conference in Panama City on 8 July 1987]

[Text] Communique of the Panamanian Episcopal Conference:

1. Introduction: On 17 June, during a special meeting of the Panamanian Episcopal Conference in the wake of the serious incidents in the country, we released a communique voicing our opinion as pastors at the service of the Panamanian people.

In general, our words were received with open minds and prudence. We know that they guided many of our brothers and generated understanding and responsibility in view of the political confusion facing the fatherland.

However, discordant voices that have refused to understand our good intentions and have placed partisan and personal interests above the nation's common welfare have also been present.

Today, meeting once again to discuss regular tasks of our pastoral duties, we again reaffirm each and every point contained in our previous communique.

2. Love for the fatherland: As Panamanians, we strongly regret and flatly reject any foreign meddling in the Republic's internal affairs. However, we believe that feelings of nationalism must not be exploited to divert attention from and relegate into oblivion the causes of the current crisis.

We must point out that a genuine nationalist reaffirmation does not exclusively consist of defeating our sovereignty from foreign meddling, but also in facing domestic problems without exclusively benefitting [certain] classes or parties.

There will be no free and sovereign fatherland so long as each and every Panamanian is not determined to respect the fundamental right to privacy of people and to safeguard the right of others to voice differeing viewpoints; so long as we grant groups or people the right to serve justice on their own; so long as the branches of the state are used to favor partisan positions; so long as we do not know how to or wish to distinguish between public servant and political affiliation, and threats continue to be used to guarantee attendance at activities for or against a specific political position; so long as we continue to label as good or bad Panamanians those who support or oppose us; so long as we continue to view the sociopolitical situation as a means to reach power or social position [bienestar]; and so long as we promote hatred and the struggle of classes as a justification for or as a palliative for demands and protests.

In sum, so long as we continue to tolerate poverty and destitution in a significant portion of our population.

3. Seeking solutions: Without a doubt, the current moment calls for reflection, courage, determination, and sacrifice. In our previous communique, we made a short analysis of the causes of the current crisis. It is important that we as a nation now seek solutions to evils pointed out in that communique. We are willing to make the necessary efforts to find timely and efficient solutions to the anguish, pain, and fatigue of so many Panamanians who want a new fatherland in which they can live in peace, justice, and liberty without the threats of hatred, terror, and violence.

To think of a new Panama must lead us to think of a new Panamanian capable of facing his personal and social life from perspectives of solidarity, understanding, justice, and liberty. All this within a common project revolving around the most needy: Our Indians, peasants, urban poor, unemployed, illiterates, and all this without demagoguery and spectacular efforts under the guidance of the Gospel, which says: Everything that was done to my brothers, even to the younger one, was done to me. 25.40

4. Conclusion: It is urgently necessary to stop violence that has emerged among us as a cruel phantom. Let us concentrate our efforts on achieving a reconciliation capable of uniting all those who are separated today by political, social, economic, or ideological walls.

We pray to God, via our Virgin Mary, to illuminate the minds and to strengthen the hearts of all Panamanians to lead them -- moved by truth -- to maintain their constant prayers for peace in justice and liberty.

Panama City, 8 July 1987

[Signed] Monsignor Marcos Gregorio McGrath, archibishop of Panama, president
Monsignor Jose Maria Carrizo, bishop of Chitre and vice president
Monsignor Carlos Ambrosio Lewis, coadjutor bishop of David and secretary general
Monsignor Daniel Nunez, bishop of David
Monsignor Jose Dimas Cedeno, bishop of Santiago
Monsignor Carlos Maria Ariz, apostolical vicar of Darien
Monsignor Oscar Mario Brown, auxiliary bishop of Panama
Monsignor Jose Luis Lacunza, auxiliary bishop of Panama
Monsignor Marcos Zuluaga, emeritus bishop of Darien

PRD VICE PRESIDENT ON LIBERAL PARTY COMMUNIQUE

PA100037 Panama City Telemetro Television in Spanish 2323 GMT 9 Jul 87

[Text] Panamanian Democratic Revolutionary Party [PRD] Vice President Alfredo Macharaviaya has said that the communique issued by the Liberal Party is out of place and insinuates that this government has absolutely no authority.

Macharaviaya expressed his personal opinion, because the rest of UNADE [National Democratic Union] members have not met to issue statements on the Liberal Party communique, which makes important statements regarding the national crisis.

[Begin recording] [Macharaviaya] I think that the communique is a little bit out of place, because being part of the government, being the country's vice president, he has hinted that this government has absolutely no authority; and after all, he is part of the government.

[Reporter] Does that create more uncertainty; does that show the division that exists inthe UNADE parties?

[Macharaviaya] The other UNADE parties consider that, for example...[changes thought] I do not want to say the other UNADE parties, but we consider that he made those statements because he does not agree with UNADE.

[Reporter] Will the UNADE parties make any statements regarding the fact that the Liberals threatened to withdraw from UNADE?

[Macharaviaya] At the beginning of this interview, I told you that we have not met to analyze the content of the Liberal Party document, which should be publicly read.

[Reporter] Should Mr Esquivel [Panamanian vice president] resign his position after those statements?

[Macharaviaya] That is his problem. He is the only one who can say whether he will resign or not. We are not going to request his resignation, because we do not have legal authority to request a resignation of the vice president, because he was appointed by the people. [end recording]

COPP ISSUES COMMUNIQUE ON PRESENT SITUATION

PA090443 Panama City LA ESTRELLA DE PANAMA in Spanish 4 Jul 87 pp A-1, A-12

[By staff reporter Hermes Sucre Serrano; words within slantlines published in boldface]

[Text] A communique yesterday was issued by the Panamanian Coordinating Board of People's Organizations of Panama (COPP), which said in part that "Our people understand that the strong protest of the people, which has been developing recently in our country, and which the enemies of the people had tried to make use of as a treacherous instrument, has as its base the exhaustion of an economic and political model that works against the interests of the nation and the people."

During a news conference held yesterday, COPP leaders said that they will bravely defend the country's sovereignty rights, which have until now been conquered, renew efforts to achieve the definite and full independence that has been "compromised by the presence of the U.S. Southern Command, by U.S. control of the canal, and by the economic domination of the United States."

The COPP says in its communique "that" the struggle against U.S. intervention is also a struggle against the oligarchic turncoats who act from ADO-MODELO [Democratic Opposition Alliance-Local Democratic Movement] positions, as well as from important government positions. All those who side with the imperialist intervention will be enemies of the fatherland and will be on the opposite side in this struggle of all the people."

The COPP says that "faced with the serious present situation, there is no room for demagogic formal nationalism, by those who raise the flags at opportune moments for immediate political reasons. Instead, this is the moment of great decisions, translated into definite actions of an integral defense of the national independence and the establishment of a new relationship among all forces that reject intervention, based on mutual respect, political independence, and direct democratic participation by all sectors."

The COPP is composed of a group of trade unions, peasant, student, public worker, and indigenous groups, as well as some other professional trade unions.

We will now publish a series of COPP concepts and demands gathered together in a communique given to the press on 2 July.

/COMMUNIQUE/

1. Declare U.S. Ambassador Arthur Davis persona non grata, due to his anti-Panamanian attitude.

2. Demand the departure from our country of all U.S. personnel who, disguised as diplomats, are conducting espionage activities and conspiring against the national interests.

3. Suspend foreign debt payments, abrogate all IMF-imposed laws, and draft a development plan that will safeguard our independence and bring social benefits to our people.

4. Immediately establish relations with all countries in the world on the basis of an independent, nonaligned position.

5. Conduct specific national and international actions aimed at the abolishment of Law 96-70.

6. Suspend joint maneuvers.

7. Immediately withdraw the Southern Command headquarters that was recently established near the canal in an arbitrary way, and whose purpose has no relations to canal security. Prevent any military activity that could impair our independence and security or harm other countries.

8. Promote actions of solidarity with our country through the Nonaligned Movement and all international organizations and forums.

9. Nationalize economic sectors fundamental for our independent development and for our national security.

10. Strengthen the Contadora Group efforts as a mechanism toward finding a political solution for Central America, within the framework of respect for those peoples' right to self-determination.

11. Prepare for a large mobilization of popular organizations according to our coordinating board's platform of struggle.

/NO TO YANKEE INTERVENTION IN PANAMA/

/AGAINST INTERVENTION, TOWARD A POPULAR SOLUTION TO OUR COUNTRY'S CRISIS!/

/PATRIOTIC UNITY AGAINST YANKEE INTERVENTION!/

[Signed] COPP

TROCCOLI ANSWERS SECRET CONGRESSIONAL SESSION

PY090357 Buenos Aires BUENOS AIRES HERALD in English 8 Jul 87 p 11

[Text] (NA-DYN) -- Interior Minister Antonio Troccoli yesterday blamed the recent wave of terrorist acts, including the desecration of late President Juan Domingo Peron's mausoleum, on "a destabilizing source organized by ultra-rightist groups" while police sources confirmed that unknown gunmen fired at security men guarding the tomb of the late Radical leader Ricardo Balbin early yesterday morning.

Troccoli called for a "political agreement" between the government and opposition sectors in order to draft "a joint plan of action" to counter terrorist efforts wanting "to nail the country to its past." The interior minister was questioned by Lower House members for over an hour before Lower House minority leader Jose Luis Manzano (Renewal Peronist-Mendoza) requested that the session continue in "secret" so as not to jeopardize ongoing investigations. This was the first time that the Lower House has sessioned in secret since the constitutional government took office in 1983.

Troccoli said the grave robbers were "enemies of democracy and not of one single party" and suggested that ultra-rightist groups operated within the country with the support of "foreign organizations and lodges."

Interior Secretary Juan Radonjic and Federal Police Chief Juan Pirker were also present in order to assist Troccoli during the session. Radonjic warned that an agreement between the major parties was necessary to strengthen security "in this period of democratic transition" and suggested that "mutual distrust" between the government and the opposition would only fulfill terrorist objectives. Radonjic revealed there were 68 bomb attacks between 1985 and 1987 and eight abductions since 1984, of which six had been solved by the police.

The interior secretary made the surprise announcement of the arrest of "Doctor Camps" but gave no details on the issue. Sources contacted by the press were unable to clarify Radonjic's assertion, since the only Camps now fugitive from justice is the son of convicted former Buenos Aires police chief Ramon Camps, Patricio, who has no university degree.

Troccoli later denied that recent terrorist acts came from leftist groups and confirmed that the modus operandi was typical of right-wing organizations. The interior minister said "we should not fall in the trap of totalitarian groups" and unexpectedly cndemned the "atrocious methodology used to fight subversion" during the military regime.

Manzano replied that "internal security does not only depend on national unity" as suggested by Troccoli, but "mainly on the government's efficiency in responding to terrorist acts."

In other developments, police sources confirmed that armed men had attacked security officers on guard at Balbin's mausoleum in the La Plata cemetery. Nobody was hurt during the incident and no other details were disclosed.

INTELLIGENCE AGENTS PARTICIPATE IN UCR BOMBINGS

PY091824 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2301 GMT 8 Jul 87

[Text] Buenos Aires, 8 Jul (NA) -- Reliable sources today said Secretariat of State Intelligence [SIDE] head Facundo Suarez has told the Chamber of Deputies that "intelligence service personnel were involved in the recent bombings," stressing that some agents "are using noms de guerre" to conceal their identities.

The sources, which were consulted by NOTICIAS ARGENTINAS, said Suarez statement shocked opposition deputies, who asked him for more details on the subject. Suarez, however, refused to provide additional information.

Suarez, accompanied Interior Minister Antonio Troccoli, who was questioned yesterday by the Chamber of Deputies, as requested by the Justicialist Party's Renewal Faction.

Deputy Hector Maya, of the Justicialist Party's Renewal Faction, shouted at Suarez demanding that he explain "why the telephones of senators and deputies are still being tapped," but Deputy Juan Carlos Pugliese, president of the Chamber of Deputies, interrupted Maya and requested that he "please behave properly,"

When Deputy Roberto Garcia, of the Justicialist Renewal Faction, demanded that Suarez provide details about the shoot-out that occurred near the grave of UCR [Radical Civic Union] Leader Ricardo Balbin in La Plata, Suarez said: "For the time being, I have no information available," adding that he learned about the incident through radio reports.

The same sources added that Suarez left questions unanswered on why the government promoted Lieutenant Coronel Juan Carlos Sacco despite Sacco's activities during the Holy Week crisis. Sacco headed the investigation of the case involving the Sivac family. Former Agent Mario Aguilar, who is being tried for extortion against Sivac's relatives, was among Sacco's subordinates. Facundo Suarez said that "a cleanup is being conducted within SIDE," which is being advised by intelligence services from the FRG and Israel (Mosad). He added that SIDE "has reduced its personnel by 33 percent." Suarez said: "I am not sure" if SIDE members were involved in bomb attacks against 16 UCR offices.

The sources added that Interior Minister Troccoli said that the Interior Ministry supports the theory that the groups involved in the attacks carried out their activities "openly and with complete security." He said that they mobilized in "teams," each of which comprised two cars, and that "no one saw anything -- faces or license tags -- during these operations."

BOMB EXPLODES AT JUSTICIALIST CANDIDATE'S HOME

PY092322 Buenos Aires TELAM in Spanish 2225 GMT 9 Jul 87

[Excerpt] San Salvador de Jujuy, 9 Jul (TELAM) -- Police reported that a bomb exploded at the door of Ricardo Aparici's home. Aparici is a Justicialist Party candidate for governor. The main door of the house, which is located at 10 San Martin Street, and blew off the roof tiles on the porch. So far, no group has claimed responsibility for the attack.

At the time of the explosion (around 0240) only Aparici's six children and a maid were in the house. The sources also reported that one of Aparici's children, Ricardo Juan Jose, 16, apparently warned his brothers and sisters about the package left at the door before the bomb exploded. [passage omitted]

DEMONSTRATORS MARCH AGAINST DUE OBEDIENCE

PA092348 Buenos Aires DYN in Spanish 2120 GMT 9 Jul 87

[Text] Buenos Aires, 9 (DYN) -- Approximately 1000 people today demonstrated in Plaza de Mayo against the government's human rights policy and against a military parade held during the official Independence Day celebration. The demonstration started a few hours after 2,200 troops paraded in front of Government House.

The spokesman of the organizations that sponsored the demonstration charged that President Raul Alfonsin "did not fulfill his electoral campaign promise that no crime would be allowed to go unpunished." They also demanded the release of Eduardo Furno, a Liberation Party member who was arrested this morning at Plaza de Mayo as he was trying to block the military parade while waving a banner with the inscription "Due obedience: No."

Under the slogan "For life," the demonstration was called by the mothers of Plaza de Mayo, the peace and justice service, the Jewish human rights movement, and the association of former missing detainees.

The leaflet calling for the demonstration had two pictures, one beside the other. One picture was of President Alfonsin and military troops with the inscription "Plaza de Mayo, at 1100, for due obedience." The other picture was of the mothers and had the inscription "At 1530, for life." Between both pictures was the inscription "The decision is yours."

The demonstration was staged simultaneously with the usual mothers of Plaza de Mayo Thursday demonstration.

Herman Schiller, who spoke on behalf of the Jewish human rights movement, stressed the "significant contrast in Plaza de Mayo today," adding that his sector was present "to express, jointly with the mothers, its support for life."

Former missing detainees association member Adriana Calvo de Laborde, who until a short time ago was considered "a political prisoner," said "we did not read this story, no one told it to us, and we did not read it in our history books either. However, we did know the torturers, we saw their faces, and we heard their laughter."

ANTIMILITARY SLOGANS PAINTED ON MINISTRY WALLS

PY091601 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1209 GMT 9 Jul 87

[Text] Buenos Aires, 9 Jul (NA) -- The facade of the Public Health and Social Action Ministry building was painted this morning with slogans such as "Prison for the people involved in genocide." A tight security system has been mounted near Government House, where a military parade will be held within a few hours to mark the 71st anniversary of the declaration of independence. Posters bearing the names of military men allegedly involved in repressive abuses have also been placed on the facade of the ministry. The posters show prison bars superimposed over the names of the military men.

PMDB CONGRESSMEN HECKLED DURING RALLY IN BRASILIA

PY091750 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Jul 87 p A6

[by Clovis Rossi from Brasilia]

[Excerpts] Nearly 15,000 people (according to the sponsors) or 6,000 to 8,000 people (according to the Public Security Secretariat; the Planalto Palace security estimated the turnout at 5,000 people at the most) yesterday shouted: "Direct Elections, Now" on the National Congress lawn in Brasilia and jeered whenever the PMDB [Brazilian Democratic Mobilization Party] was mentioned over the microphone to announce the presence of each of the 27 PMDB congressmen who attended the rally.

Journalists at the rally estimated that attendance was between 10,000 and 12,000 which matched estimates by the Senate security corps. The rally began unemotionally amid a tense atmosphere created by the police security ordered by the government along Esplanada dos Ministerios thoroughfare. It only began to heat up at 1914, when actress Lucelia Santos started shouting "Direct elections, now." The sponsors of the rally did not "set" a date for the elections beceause the parties disagree on when the "direct elections, now" should be held. [passage omitted]

The congressmen were then called to the microphone. Every time a PMDB congressman was called to the microphone, he was strongly heckled. Both Aldo Arantes (Communist Party of Brazil -- Goias State) and Arnaldo Faria de Sa (Brazilian Labor Party -- Sao Paulo), of the sponsoring committee, grew tired of appealing to the hecklers to stop; their efforts were useless, and the heckling continued. [passage omitted]

DILSON FUNARO SAYS U.S. WANTED HIS DISMISSAL

PY092210 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Jul 87 p 1

[Text] During a speech on 8 July at the Federal University of Rio de Janeiro, Former Finance Minister Dilson Funaro said that Elkin Taylor, a U.S. State Department official, "visited Brazil in March 1987 and that during his visit Taylor stated that the United States would not negotiate the Brazilian foreign debt if I remained finance minister."

Funaro said he did not know whether the IMF was involved in his dismissal, but he stressed that in 1986 during a meeting with the advisory committee of the creditor banks, the bankers said they would not negotiate with Brazil "because they had orders from the U.S. Government," which insisted that Brazil must reach an agreement with the IMF.

BRAZILIAN 'INVOLVED' IN IRANGATE SCANDAL

PY100331 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jul 87 p 7

[Text] Brazilian Jairo Iwamassa Guinoza, a former informer of the National Intelligence Service (SNI), who was arrested for drug trafficking by federal police shortly before boarding a plane to Amsterdam, the Netherlands, at Cumbica Airport on 3 July, is allegedly involved in the "Iran-contra" scandal. Iwamassa was allegedly hired by the United States to ship $1 billion in arms to Iran. According to Marco Antonio Veronesi, chief of the Federal Police Bureau in Sao Paulo, Iwamassa will be questioned on the matter at the Department of Political and Social Order (DOPS).

Veronesi said that Iwamassa, a gray haired Nisei who sports a large moustache, could even be questioned by the U.S. Congress if his involvement in the affair is confirmed and if U.S. authorities so desire.

Even though Iwamassa's involvement in the arms sale to Iran was reported by the press late last year, the Federal Police did not investigate the report. The deal allegedly occurred 3 years ago. Iwamassa is the owner of a firm located in Vila Mariana called M.B.V. which imports and exports pharmaceutical products. He also owns a luxurious residence in Sao Paulo Planalto. According to the report, Iwamassa participated in several meetings in Sao Paulo, Brasilia, Buenos Aires, and London to negotiate the sale of $1 billion worth of arms of Iran, including TOW missiles, grenades, and other equipment. When Police Chief Jose Augusto Bellini, head of the Federal Police Drug Division, apprehended Iwamassa during an operation against drug trafficking and charged him with being the head of a cocaine trafficking gang, he could not imagine "the size of the fish he had caught." At first, Bellini did not connect Jairo with the report on arms sales to Iran, and on 7 July he called journalists to report the arrests and present the disbanded gang.

Yesterday, Bellini cautiously avoided commenting on Iwamassa's involvement in the "Iran-contra" scandal. He said that the matter also involved politics and that he preferred to have the chief himself report on the case. Iwamassa is being held in the Piaui Street offices of the Federal Police. According to the report, the arms deal started when Iwamassa visited the Iranian Embassy in Brasilia in April 1984 and was received by Rasul Belgheis Abad, an embassy adviser. Iwamassa returned a second time accompanied by a partner: Jose Satiro de Souza Neto, a native of Ceara State who had been living in Buenos Aires for several years.

SARNEY DISCUSSES INCREASE IN MINIMUM SALARY

PY091908 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Jul 87

[Text] President Jose Sarney has assured political leaders that the minimum salary will be equivalent to $100 by the end of his administration.

President Jose Sarney's goal is to step down to March 1990 with monthly minimum salaries of $100, nearly 4,500 cruzados at the current rate of exchange. The minimum salary for Brazilian workers is now 1,900 cruzados; that is, nearly $45 per month. This information was supplied by Carlos Chiarelli, the leader of the PFL [Liberal Front Party] Bloc in the Senate, after participating in a meeting of the political council chaired by Sarney.

[Begin Chiarelli recording] The president's intention is to take measures regarding the minimum salary. However, he did not mention when this will occur or the amount involved. He just told us that he has twice adjusted the minimum salary above the inflation rate and that he intends to establish a real minimum salary by the end of his administration of around $100. [end recording]

Economic matters, the Bresser program, and the first 2 weeks of the implementation of the price freeze were discussed during the meeting. It was predicted that the July inflation rate will be about 3 percent. The president assured the political leaders that as long as there are not any salary changes there will not be any price changes.

PRESIDENT PINOCHET OUTLINES ACHIEVEMENTS

PY091642 Santiago Domestic Service in Spanish 1030 GMT 9 Jul 87

[Excerpt] Speaking in Concepcion to a group of women from the eighth region, President Pinochet has stressed the constitutional provisions for which the people have fought. He cited, among other things, the recognition of the family as the essential nucleus of society. The chief of state outlined the government accomplishments through special programs that favor the poorest sectors of the country. He stressed the achievements in the health, education, housing, and labor sectors and said:

[Begin recording] Unfortunately, despite these achievements, we have encountered the opposition of politicians who have contributed nothing positive. Our accomplishments mean nothing to them. I think the blind could have seen better because they could have felt with their own senses these accomplishments. [applause]

Those opposition sectors have demonstrated at all times that they are absolutely unaware of the actual situation, that they have learned nothing, that they know nothing, and that they are ignorant of everything. They are unable to say they are impartial or even say they intend to be impartial.

This shows a complete lack of democratic feeling from those traitors, who should not go to other countries to beg for money and then return with their bags filled with dollars, because they sell out the fatherland. I have here a telegram I received a few minutes ago from [words indistinct], telling how these men who claim to be politicians sell out the country. [end recording]

President Pinochet then said that the country is walking along the path to democracy:

[Begin recording] You do not proclaim democracy, you live it. You must not weaken democracy, you must strengthen it. Democracy is not made by the people at the top, but by the people themselves who [words indistinct], suffer, and put up with everything. [applause]

The government has not merely paid lip-service to democracy, it has not merely proclaimed it, and it has not weakened it. On the contrary, it has reconstructed a democracy for Chile and the Chileans. This explains the obstacles set up by the opposition to prevent an understanding with the government, because they have only presented alleged democratic proposals or initiatives that do not reflect the desires of the Chilean people. They have only presented old political programs that do not reflect the current aspirations of the Chilean people, programs that have failed, programs that have only served to create internal divisions in our country. Therefore, ladies and gentlemen, the time has come for all sectors of society to give up their own private interests. The time has come for each one to assume his responsibility in reconstructing this new democracy. [end recording] [passage omitted]

Attacks Opposition Politicians

PA041633 Paris AFP in Spanish 0110 GMT 4 Jul 87

[Text] Los Andes, Chile, 3 Jul (AFP) -- Chilean President General Augusto Pinochet today declared before hundreds of his supporters that "I am looking at you from up here because God put me here." He said this during a ceremony held in Los Andes, 80 km northeast of Santiago.

The chief of state, who is winding up a 3-day tour of the fifth region of the country, attacked opposition politicians and referred to the plebiscite that will decide will will rule the country until 1997, saying that "this is a special moment in the Republic."

"We are approaching the year 1989," he said, "the date when there will be an act to prove our capabilities and that we want a free Chile that will not be destroyed by the many Lazaruses who have appeared throughout the history of Chile, after being mired for years and years." He added that these individuals who have come "to poison the minds of the people deserve our absolute repudiation," although he admitted there are also honest politicians.

Speaking at the Los Andes Gymnasium, where he handed out 52 homes to low-income families, Gen Pinochet said "we are advancing and carrying out projects, advancing and progressing, and we have not stopped and are not going to stop." He added that the suggestions by "some ideological enemies" who bring ideas from abroad "must be rejected because we are building our own country."

The president recalled that Chile fought 400 years for its liberty in the struggle waged by the Araucanos with the Spaniards, "and we are not going to lose that heritage of liberty because of some people with outlandish ideas." He noted that "we are forging a future, all united, struggling for this Chile, because the only way to make this country big is by working."

Later, President Pinochet went to the neighboring city of San Felipe, where he presided over an act of support prepared by his supporters. On that occasion he warned that "our liberty is threatened and we must defend it. It is attacked by the newly resuscitated, with their hatred and phobias." He added that "it is attacked by those who have not understood anything about what has happened in Chile or insist on going back to lethargic solutions that only produce apathy, delays, and totalitarianism." He said "these outclassed politicians devoid of renovation are joined by the extremists who through heinous attacks seek to destroy the soul of the nation." He charged that "one and another act jointly, because the former dream of destabilizing the government through the violent actions of the latter."

The chief of state stated that such sectors try to pass before public opinion as having no connections with the terrorist actions. "No, sirs, Chile is not deceived and understands perfectly that those who sit at the table of the concerted efforts are also responsible for this damage," he stated amid the applause of hundreds of supporters.

Yesterday Gen Pinochet attacked the opposition, the communists, the renewed socialists, and the Christian Democrats, whom he accused of maintaining ties with leftist sectors. Today he also indirectly included a sector of the rightists. These same sectors, he said, do not hesitate to join the chorus of naivete and continue to believe they are immune to the socializing dogmas and to the real aspects of Marxist violence.

INTERVIEW WITH SOCIALIST CLODOMIRO ALMEYDA

PY240331 Santiago FORTIN MAPOCHO in Spanish 17 Jun 87 pp 12, 13

[Interview with Socialist Party leader Clodomiro Almeyda by unidentified FORTIN MAPOCHO correspondent in Chile Chico -- date not given]

[Excerpts] [Passage omitted] [Correspondent] Do you think the Armed Forces are standing firmly behind Ceneral Pinochet?

[Almeyda] This seems to be the case. Respect for the chain of command and traditional military discipline are the reason for this. It is evident though, that in view of the situation the country is going through, the conscience of many officers must be harboring serious concern regarding the future of the country and the Armed Forces, particularly if this situation continues much longer. This concern will increase if the unity of opposition forces -- which are the majority -- and social mobilizations make it clear that there is a need for changes leading to democracy, which is the only way to solve the present conflicts plaguing the country.

[Correspondent] What is your opinion about the request of the Reagan administration that the Chilean military regime arrest and expel Contreras and Espinoza, who are members of the Chilean Army?

[Almeyda] I think the decision of the U.S. Government shows its displeasure and disagreement with the Chilean military regime. This displeasure is felt in U.S. circles that make political decisions. These circles see great threats to the future social and political stability of the country. The United States is interested in maintaining a certain level of stability within the Armed Forces to prevent possible problems in an area of the world that is particularly important for U.S. economic and strategic interests. However, this does not mean that the United States is interested in restoring full democracy in Chile. The United States is interested in a transition toward a type of controlled, practical, and regulated democracy in which the Armed Forces play the role of guardians of social order. [passage omitted]

[Correspondent] What specific steps have you or your party taken to achieve the much-heralded unity?

[Almeyda] I have received multiple requests from socialists to contribute in some way toward the achievement of the unity that all socialists yearn for. I think a strong and united socialism has a key role to play in Chile today. It also has an important role to play among left-wing parties, its natural medium and the channel through which socialist can properly participate in national politics. In the next few days I will submit a proposal containing suggestions for the unity of the socialist factions, within the left, to be able to contribute from there to the struggle of all the democratic forces against the dictatorship and for the recovery of freedom and democracy in Chile.

BRIEFS

AIDS CASES -- Arica Hospital Director Dr Oscar Torre Alva Alarcon has confirmed the existence of 42 cases of AIDS in Chile, of which 22 patients have already died. He said that no cases of AIDS have yet been detected in Arica. [Summary] [Santiago Domestic Service in Spanish 1030 GMT 6 Jul 87 PY]

FOREIGN MINISTRY ON FRG 'INTERVENTION'

PA050441 Quito Radio Quito in Spanish 2300 GMT 1 Jul 87

[Text] Official reports say that the reply note delivered by the Foreign Ministry deputy director to the FRG charge d'affaires says Ecuador rejects all foreign intervention in its internal affairs.

Following are statements by Ecuadoran Foreign Minister Rafael Garcia on this subject:

[Begin recording] The reply note sent by the Foreign Ministry to the FRG charge d'affaires says Ecuador rejects all foreign intervention in its internal affairs; in other words, in affairs that only concern our country.

The note sent to the FRG charge d'affaires had equal expression [words indistinct]. In other words, we stated that [words indistinct] made in this reply, that the Ecuadoran Government hopes that the concern expressed by the FRG Government had disappeared and that the relations between the two countries continue within the framework of mutual friendship and reciprocal respect in which they have always been maintained. [end recording]

PRC VICE MINISTER SIGNS ECONOMIC PROTOCOL

PA092316 Quito Voz de los Andes in Spanish 1130 GMT 8 Jul 87

[Text] The Ecuadoran and Chinese Governments have signed an economic and technical cooperation protocol to regulate the use of the remaining 15 million-yuan line of credit agreed on 17 May 1984. The ceremony was held at the Ecuadoran Foreign Ministry. Present were Ecuadoran Foreign Minister Rafael Garcia Velasco and Lu Xuejian, PRC vice minister of foreign economic relations and trade. Foreign Minister Garcia Velasco gave details of the economic cooperation protocol:

[Begin Garcia recording] The remaining sum of this credit will be assigned to four interesting projects that will be developed with the PRC's technical and scientific assistance. It will benefit the development of the porcelain industry in Ecuador. Part of the credit will also be used to grow Peking ducks in the country, especially in the southern region. The economic reconversion center of Azuay, Canar, and Morana-Santiago will be in charge of developing this program to raise Peking ducks. It will also give special emphasis to utilizing the assistance for the development of the porcelain industry. Another project that will be developed with this credit is the production of methane gas in the country. The credit will also be used for the acquisition of mini-electricity plants that will be installed in small towns in the country. [end recording]

Lu Xuejian, PRC vice minister of foreign economic relations and trade, stressed the importance of the signing of the economic and technical cooperation protocol with Ecuador and expressed his satisfaction in cooperation with Ecuador's development.

[Begin Lu Xuejian recording in Chinese followed by passage-by-passage translation into Spanish] With the signing of this second protocol of projects, economic and technical cooperation relations will be further strengthened because Ecuador and China are very good friends. Since the year in which the two governments established diplomatic relations, all phases of our relations have been developing quite well. The PRC Government is happy with the development of these relations. We are very far from each other geographically. In China we would say we are separated by 1,000 rivers and mountains. We are developing countries. We belong to the Third World. We have many points of convergence. [end recording]

VARGAS PAZZOS REPORTEDLY WITHDRAWS CANDIDACY

PA070327 Quito Voz de los Andes in Spanish 1230 GMT 4 Jul 87

[Text] Frank Vargas Pazzos of the Ecuadoran Popular Revolutionary Action, APRE, withdrew his candidacy for the presidency during talks with leaders of the Marxist left, in an effort to settle controversies and obstacles that have arisen and so an adequate way out will be found.

The retired general sent a letter to the political party, which is struggling for unity. The letter stressed his desire to help in achieving the unity of progressive sectors, and it expressed hope that this decision will make it possible for an electoral solution to be found soon by the left.

General Frank Vargas Pazzos has not declined his nomination for the presidency. He merely asked the leftist group not to consider his name for a possible alliance so they can be free to make their choice, according to APRE leader Agustin Dejanon Rodriguez.

BRIEFS

UN, ANDEAN AGREEMENTS RATIFIED -- Quito, 23 Jun (EFE) -- The Ecuadoran Congress today ratified the 1984 UN agreement against torture. It also ratified the Andean agreement on cooperation for the prevention of drug use and trafficking, which was signed by Bolivia, Peru, Colombia, and Venezuela in April 1986. [Summary] [Madrid EFE in Spanish 0110 GMT 24 Jun 87 PA]

FUEL PRODUCTION TO INCREASE -- With the conclusion of construction and assembling, Amazonas, the country's second refinery, located in Napo Province, Ecuador, will increase its daily fuel production by 10,000 barrels beginning in mid-July. [Summary] [Madrid EFE in Spanish 2354 GMT 23 Jun 87 PA]

INFLATION FIGURES -- According to the official figures released by the National Institute of Statistics and Census, INEC, June's inflation was at an annual rate of 31.7 percent, the highest so far this year. In May, the annual rate was 30.2 percent. The categories with the largest price increases in June were food at 2.5 percent, housing at 2.4 percent, miscellaneous at 2.2 percent, and clothes at 1.46 percent. [Excerpts] [Quito Voz de los Andes in Spanish 1130 GMT 2 Jul 87 PA]

NEW DOMINICAN REPUBLIC AMBASSADOR -- Rafael Valera Benitez, new ambassador of the Dominican Republic in Ecuador, presented his credentials to President Leon Febres Cordero at the Government Palace on Thursday. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 29 May 87 PA]

PRESIDENT GARCIA ON SARNEY MEETING, ECONOMY

PA091620 Lima Television Peruana in Spanish 0100 GMT 4 Jul 87

[News conference held by President Alan Garcia with unidentified reporters; date and place not given -- recorded]

[Text] [Reporter] Mr President, what is the result of your meeting with Brazilian President Sarney?

[Garcia] I consider it very satisfactory, and its results will be important for Latin America and our countries in three clearly defined fields: In the unification of border regions of Rio Branco, Acre State [in Brazil] and Madre de Dios Department, Puerto Maldonado [in Peru]. We are going to reaffirm our trade bonds and treat the area as if it were a single region. We have made great strides in the study of this matter.

The second area is the commercial and economic relations between our countries. As you know, our exports to Brazl total $50 million, but we import more than $120 million in goods from Brazil. We have to balance this out by making Brazil buy from us a similar amount to what we buy from it. In addition we have to expand our trade, which is very small for two countries that have more than 2,000 km of common border.

Finally, and inevitably, we discussed the economies of our countries and our positions regarding the foreign debt. Brazil started, as Peru did, a different economic system, an economic system that is not of the IMF, an economic system that is not one of adjustment and impoverishment, but one of increasing demand to reactivate industry and agriculture.

Perhaps in Brazil there was excessive enthusiasm, demand rose too fast, production could not meet demand, and this was followed by shortages and price increases due to over demand. In addition, Brazil, for more than 1 year, attemptd to increase its consumption and demand while at the same time paying the foreign debt. The consequence is that after 1 year it had fewer dollars. This is when it decided to stop paying the debt. It has now expanded this decision to cover the European countries.

We thoroughly discussed this subject with President Sarney, in whom I found a very Latin American and mature determination to maintain these views. Naturally, each country has its peculiarities and differences in dealing with its specific creditors, but both have a single objective: We must retain the dollars from our production, we must retain our surplus and resources to invest them at home and turn these investment into greater consumption by our populations.

Brazil has some economic problems that result, I would say, in a rejection by the people. However, if the concept of more demand and more production and limitation of foreign debt payments are maintained. Brazil, with its huge technological power and the market of a population of 140 million inhabitants, will make it. We discussed this, and we also agreed on our support for Mexican President Miguel de la Madrid's proposal for a meeting of eight Latin American presidents to make common proposals to better deal with our future.

[Reporter] Would that be in the near future?

[Garcia] I believe we could speak of a presidential meeting before the end of the year if the agendas of everyone and our desire to discuss some subjects mature.

[Reporter] How many presidents agree with such a meeting?

[Garcia] The idea arose during my visit to Mexico to meet with President de la Madrid. It was immediately accepted by President Julio Maria Sanguinetti of Uruguay and President Raul Alfonsin of Argentina. I have discussed it with President Delvalle of Panama, and now with President Sarney. Slowly we are working towards a meeting to discuss international affairs, our specific problems, and support for each other. The day Latin America discovers it is and thinks like a continent, as a new race, that it is a new world with the right to have new economic ideas, that it can achieve a world without misery through better distribution of its wealth, that is the day Latin America will have found its place in history.

[Reporter] On another subject, Mr President, the people are anxiously awaiting your announced speech to the nation. When will this be?

[Garcia] Well, at the proper time. It had been planned for this Thursday, but I consider it improper while I was out of the country for a few hours in Rio Branco, Acre State, Brazil, to leave a recorded message and go to meet President Sarney. I will probably make a speech on Sunday evening to explain, not for reasons of emergency or urgency, but for orientation purposes. It is evident that the recent events that affected the dollar, that have demonstrated that inflation is rising, that affected the makeup of the cabinet can lead to a loss of confidence and credibility. The president and the government must be in constant contact and communication with the country to maintain credibility. I can tell you now that there is no emergency or reason for alarm, and you can be certain that this year and the next the country will continue growing, which is what matters, and will continue to maintain a capacity of consumption and demand that will always be higher than the price increases. The most important thing is that the country will grow as a result of the increased consumption by the population.

The economic instruments, the exchange rates, the interest rates, the use of wages on its differential scale [salarios en su escala diferenciada] must all be explained. I have to tell this to the country face to face and how we will deal with the economy in the next few months or years. I also have to tell the country how we are trying to redistribute the economic resources as well as the political decisions made due to regionalization of the economic congress and strengthening of the cooperative property sectors without destroying private property.

With all these concepts we are trying to make a more democratic and just society without sacrificing the economy to inflation or a slowdown of production with lowered consumption capacity by every Peruvian.

Almost certainly on Sunday I will be speaking to the country about all these subjects. There is no reason for alarm in any of these subjects. Naturally, there is the problem of loss of credibility. There is also the problem that I explained to the country during the swearing-in of the cabinet headed by Larco Cox, that of having started many things in the economy and the administration with great impetus. I feel that inertia is causing a slowdown. I feel there is organic immorality and sometimes laziness that are limiting work capacity. However, when one is aware of these matters one has the obligation to make a greater effort and forge ahead. I believe that is the role I must play, and on Sunday I will reaffirm our general democratic and nationalistic policy, describing each one of the instruments and explaining how they move and how they are not moving.

[Reporter] Does this include the beginning of the talks between Prime Minister Larco Cox and the country's different political sectors?

[Garcia] Yes. Allow me to add something to what I said. During my absence the telex messages that arrived in Rio Branco showed me that some opinions were expressed on oil and a supposed liquidation of Peru's reserves. Nothing is further from the truth or more alarmists. Our country not only has as many barrels [in reserves] as it had in 1985, but with the new discoveries you witnessed with me at the wells of Carmen 5 and others, our reserves increased eight percent in 1986, and we now have larger reserves than in 1985. In addition we have reserves with a high content of condensates, which is equivalent to high-octane gasoline, in the zone of lot 42. In addition we have more than 10 trillion cubic feet of gas. With this we can, as I discussed with President Sarney, use gas to generate electricity if we can find a market for electric power on the border with Brazil.

I take this opportunity to calm a few spirits. When Mr (Abramovich) said that one contractor might decrease production, it was because there was a problem of licenses for that company to import some machinery, hoses, and pumps. When this problem is resolved, its production will immediately recover, and it cannot be said that we are going to import oil because the reserves ran out. I consider this a malicious and alarmist way to interpret the news. In any case, I take the occasion to say that this is a very unsubtle way for this official to say things.

[Reporter] Do you think it was tactless?

[Garcia] No, I believe he had good intentions, but when one speaks to the country in public one must pick every word so they will not be misinterpreted or cause alarm, as this report has.

[Reporter] Concerning the dialogue, how will it continue and what will be the basic objectives?

[Garcia] I believe Larco has begun his term in office on target as coordinator of the cabinet and promoter of the government's affairs by making contacts with the different political leaders. He has already talked with the senators, he has met with Mr Barrantes Lingan, a popular leader whose opinion is greatly appreciated. I understand he is also going to meet with members of the Popular Action Party and the former president of the UNDI [expansion unknown] and probably with Dr Bedoya [not further identified]. I believe the gathering of those opinions and views, as the cyberneticians would call it, the feedback [preceding word in English] from all sectors is very important in order to have a picture collected not only from interviews, articles, and television programs, which are often not exactly what their authors think or want to say. I also believe this is a demonstration of our policy, which we hope to continue.

After those initial contacts we will formulate the economic policy to relaunch the growth of our economy and overcome small obstacles. We will hold comprehensive talks with the labor unions. This dialogue will not take 2 or 3 hours, but we want them to bring their technical advisers and all their information to compare it to ours, to see whether we are talking about the same reality and to find an agreement, to see whether there has been any reactivation, whether there is a capacity for investment, whether there is capacity for greater distribution in the economy, to find an agreement on the principal points.

We will do the same with the associations, such as the inter-business confederation, which I consider very important and is represented by a businessman who has good intentions, Dr (Vega Iona). We will do the same with all intellectual and economic groups. We are trying to think not just about 1990, but beyond, to a national project of greater economic and political independence for our country, a better distribution of its rsources and better targeted investments that will allow us to grow and find greater national identity through education. I believe we can agree on these great objectives as a whole.

PRESIDENT GARCIA DISCUSSES FINANCES WITH BANKERS

PA091928 Lima Panamericana Television in Spanish 1200 GMT 7 Jul 87

[Text] President Alan Garcia has met with representatives of the national and associated banks. The main subjects discussed were the decrease in interest rates and savings and investments. The meeting took place at the Continental Bank. Bank representatives were present as well as Senate President Armando Villanueva del Campo and Economy and Finance Minister Gustavo Saberbein. At the end of the meeting the president said the national banking sector had positively accepted the economic measures that had been announced.

[Begin recording] [Garcia] I have met with the presidents of the banks that promote agriculture, mining, housing, and with the state's commercial banks, Popular, Continental, and others, to evaluate the measures that were announced to the country yesterday. We wanted to seek an agreement on how to handle the subject of, for example, the lowering of interest rates to encourage investments as part of the struggle against inflation. And second, to signify that more emphasis should be given to the theme of savings as investments. These are deposits in convertible certificates that can be used later as shares in large investment projects. It was also noted that it is important that the state, commercial or promotion banks have to be ready to encourage and promote the cooperative and associative systems of property. It is also important to initiate a coordination not only with the already known, traditional groups, but also with municipalities, small enterprises, informal groups of economic work, and peasant communities. I believe the state's enormous strength in the financial world must be attuned to society to coordinate the relaunching of the country's production system.

[Reporter] Sir, basically, what are the opinions of the national banks?

[Garcia] I believe they have taken all this positively. There is one measure that directly affects the financial aspect, which is the lowering of interest rates. This measure was taken for two basic reasons. The first is that the lowering of the active interest -- that is, what is charged for the loans made to producers -- is made to lower the cost of production, to prevent prices from going up. Second, when the passive interests rates are lowered only 2 percent the purpose is to keep money from being deposited just to earn interest but to convert these deposits into investment capital later on. These are the two clear objectives that we have been discussing so they will be promoted through the large amount of propaganda and publicity made by all state banks. [end of recording]

SHINING PATH KILLS THREE POLICEMEN IN APURIMAC

PA090203 Paris AFP in Spanish 0116 GMT 9 Jul 87

[Text] Lima, 8 Jul (AFP) -- An official source reported here today that a police detachment in Casinchihua, Apurimac Department resisted for 5 hours an attack at dawn today by a Shining Path guerrilla commando, which killed three policemen but failed to occupy the garrison.

An Interior Ministry spokesman reported the subversive attack began at 2200 on Tuesday and lasted until 0300 today.

The nine policemen guarding the Casinchihua post during the attack by the guerrillas, who had a larger number of men and weapons, forced the guerrillas to flee toward higher nearby areas.

During the crossfire, policemen Floro Matta, Virgilio Echeverria, and Raul Tueros were killed, and Oscar Arredondo was wounded.

Casinchihua is located about 800 km to the southeast of Lima and to the east of Ayacucho, within an area dubbed as emergency zone because of the activity of the Maoist guerrilla group.

POLICE CAPTURE REGIONAL SHINING PATH LEADER

PA082355 Paris AFP in Spanish 2233 GMT 8 Jul 87

[Text] Lima, 8 Jul (AFP) -- Regional authorities confirmed today that Walter Palacios Gutierrez, "the Andean jackal," military chief of the Shining Path's southern region command, had been wounded and captured together with 30 other terrorists and large quantities of arms in the Cusco region, in the Andean southeast.

Within the last 24 hours in other parts of the country, Shining Path commandos attacked a mining camp, where they stole 50 boxes of dynamite, and a police center, where they killed one policeman.

A police operation caught Palacios Gutierrez and his group by surprise in a peasant's hut in the neighborhood of Arec Pata hill, near Casco.

It is not known whether a confrontation took place during the operation, because the results were maintained in strict secrecy until yesterday; it was revealed in Cusco prefecture that "the jackal" was already wounded when he was arrested and that right now he is in the Cusco regional hospital where he underwent surgery. His status is extremely delicate.

The other individuals, most of them university students from Lima, Ayacucho, Huancayo, Cusco, and Puno, among them the political chief of the Shining Path's southern region, Nicanor la Roas -- all of whom are sought by police -- are being detained at the Tenth Region of the police forces.

Police seized submachine guns, revolvers, ammunition, cartridges, 700 sticks of imported dynamite, 7,400 meters of British-made fuse, and 600 meters of locally-made fuse, according to the source.

The officials were able to recover the weapons the terrorists had taken from Cusco policemen during attacks on police stations and civil guard posts, a "black list" of authorities sentenced to death who were to be executed this month, official documents, and large amounts of subversive literature. The group, which had been operating in the region for over a year, is charged with 18 attacks against police posts in Pomacanchi, Quehue, Pisac, San Sebastian, and Langui, among others. Moreover, it was disclosed today that 18 armed subversives attacked a mining center a few days ago in El Coral de Barranca, 174 km south of here, and after overpowering 200 workers, seized 50 boxes of explosives and fulminate that they loaded into a station wagon and left for an unknown destination.

Civil Guard corporal Alfredo Cedano (36) was murdered last night. He was shot three times by three subversives in Huancayo, 200 km east of Lima. Meanwhile in Arequipa, 750 km southeast of Lima, the police instruction center at Socabaya was attacked with submachine guns; however, the attack was repelled by policemen without serious consequences.

Further Report

PA100305 Paris AFP in Spanish 0109 GMT 10 Jul 87

[Text] Lima 9 Jul (AFP) -- Police sources confirmed today the capture of a terrorist "military detachment" that had killed four foreign tourists and one Peruvian when they detonated a bomb aboard the train from Cusco to Machu Picchu on 25 June 1986. Patient intelligence work by the Peruvian Investigative Police (PIP) led to the capture of two Shining Path "military detachments." Shining Path is the Maoist group that started a subversive war in Peru in 1980 that has left a total of almost 9,000 dead.

General Fernando Reyes, chief of DIRCOTE [Anti-Terrorism Division -- Division Contra el Terrorismo], said that the arrest of the 13 terrorist members of the 2 detachments has been a harsh blow for the Shining Path in the Cusco area. The planners of the attack against the tourist train to Machu Picchu were commanded by Walter Palacios, 34, known as "Sebastian" or "Jackal of the Andes." He was identified as the "military chief" of the Cusco zone. The police revealed that at the time of his arrest on Sunday, 5 July, Palacios engaged in a gunfight with the detectives and suffered a light wound that was treated in one of the city's hospitals. The "detachment" led by Palacios was composed of Santos Ayarin Aragon, "Nicolas"; Simon La Torre Nunez, "Ernesto"; Raymundo Ibarra, "Carolos"' Wilbert Baca Velasques, "Pablo"; and Ricardo Angulo, "Richard."

The other "detachment" captured was commanded by Nicanor Rosas Diaz, "Abraham," 24; and its members were Valerio Rosas, Victor Guzman, "Marcos"; Beningno Rosas, "Benedicto"; Mariano Tupac Yupanqui, "Luis"; and Braulio Rosas. Nancy Cadenas, "Mary," 24, was also arrested. Police revealed that the terrorists had an AKM rifle stolen during an attack on a police post, two submachineguns, three revolvers, ammunition, and explosives. The investigation points to them as the alleged perpetrators of at least 10 subversive actions between 15 April 1986 and 24 May 1987. Gen Reyes said most of the terrorists were workers and street vendors who were part of the Shining Path propaganda organization before they went underground and joined the armed struggle in 1986. The various attacks in which they participated caused the death of eight civilians and seven policemen. The explosion on the train to Machu Picchu, as it was leaving Cusco on 25 June 1986, killed Spaniard Maria Teresa Carbonell, U.S. citizen Corsani Lee, German Ernest Martin, Brazilian Rosa Betuz Correa Da Silva, and Peruvian Jose Collantes.

PIT-CNT PROTESTS ECONOMIC POLICY WITH STOPPAGE

PY091557 Buenos Aires TELAM in Spanish 0436 GMT 9 Jul 87

[Text] Montevideo, 8 Jul (TELAM-ANSA) -- The stoppage called by the powerful PIT-CNT [Interunion Workers Plenum-National Convention of Workers] to protest the government's economic policy was observed throughout the country. The stoppage was carried out by the official and private banking sectors and by industrial sectors, while the other national sectors held a 5-hour stoppage, from 1100 to 1600.

A workers rally was held at noon on Montevideo's main avenue, 18 Julio Avenue. During the rally the workers read a proclamation that criticized the government economic policy, demanded the nationalization of the banking sector, and expressed support for unions that are presently experiencing conflicts.

The proclamation also expressed support for Onda Transportation Company employees who have been on strike for 1 month. This stoppage did not have as much an impact as previous stoppages because bus service was normal.

The platform also expressed support for a campaign to collect signatures for a petition to hold a plebiscite on the law the government passed in December 1986, which suspended the trials of military officers and policemen who were charged for human rights violations during the military regime between 1973 and 1985.

GOVERNMENT CONCERNED ABOUT RECENT BUS STRIKE

PY011820 Montevideo Radio Carve in Spanish 0930 GMT 2 Jul 87

[Text] CUTCSA [Uruguayan Bus Company, Inc.] President Pedro del Rio has told Carve that during the public transport strike eight buses had their windows broken, nine buses had their tires punctured, and one bus was burned. Del Rio added that no passengers were injured.

Del Rio also said that the most serious incident occurred near the Congressional Palace, on Bacigalupo and Madrid Streets, where a bus was burned. The bus was parked near the corner when neighbors heard an explosion in the back of the vehicle which soon caught fire. The neighbors, who watched helplessly as the bus burned, were unable to reach the fire extinguishers that were inside the bus. According to CUTCSA authorities, the company ran an emergency service using 600 buses until early evening. Service returned to normal when the night shift began. Interior Ministry Under Secretary Raul Lagos said no one was injured during the attacks of the buses, and added that the government is concerned about the incidents. Nevertheless, he said he does not believe that employees are to blame.

[Begin recording] [Lagos] Activities during the day were normal. Of course, an emergency service had to be put into operation, as is usual in these cases. There was only one incident which has caused real concern. I am talking about the partial burning of one bus and the almost complete destruction of another. Both incidents occurred in Montevideo. These actions are completely alien to the usual behavior of the Uruguayan people.

I want to make it clear that this is not the usual way trade unions operate in Uruguay. I want to call the people's attention to the fact that someone is obviously trying to distort the normal channels that must be available even amid conflicts like these which are usual in any society like ours. The problem worries the executive branch. Interior Minister Marchesano has always made it clear that the government will guarantee all the people's rights, and that labor unions will respect the law and order without problems. Incidents like this hurt everyone, and needlessly, I would say. It is a true cause for concern, and we trust it will not happen again.

[Reporter] Mr Lagos, as you have said, there is no real explanation for incidents like these, but what kind of people could be responsible for acts of this nature?

[Lagos] Look, I do not want to elaborate on the purposes, because it is very difficult to know where these people want such actions to lead. It is even possible to think that these actions are the work of...you know, some crazy people. You know that there have always been crazy people. We could believe that. Some people do not feel comfortable living in a democracy, and they want to distort the normal mechanisms.

[Reporter] Are there any clues as to the perpetrators?

[Lagos] No. Not at this time.

[Reporter] Any arrests?

[Lagos] No one has been arrested. We are obviously carrying out the investigations, but we have not had positive results yet. [end recording]

BRIEFS

AMBASSADOR TO ALGERIA APPOINTED -- The Uruguayan Government has appointed Frutuoso Pitaluga new extraordinary and plenipontentiary ambassador to the Democratic and Popular Republic of Algeria. [Summary] [Montevideo Radio Carve in Spanish 0930 GMT 19 Jun 87 PY]

AMBASSADOR SAYS FAREWELL -- Hungarian Ambassador Laszlo Perczel yesterday met with President Julio Maria Sanguinetti to say farewell and to announce that he will retire from diplomatic service. [Summary] [Montevideo LA HORA in Spanish 12 Jun 87 p 7 PY]

NAVY, ARMY PROMOTIONS APPROVED -- The Senate yesterday approved the promotion of the following officers: Colonel Ricardo Galarza to general and Navy Captains Mario Martinez and Ricardo Murialdo to rear admirals. [Summary] [Montevideo EL DIA in Spanish 10 Jun 87 p 5 PY]

HEALTH DATA BANK CREATED -- Montevideo, 15 Jun (TELAM-EFE) -- The Argentine Ministry of Public Health and Social Action and the Uruguayan Ministry of Public Health have signed an agreement to create a Health Data Bank to gather relevant information on AIDS and other common diseases. On this occasion the Argentine deputy health minister said that Argentina has registered 78 cases of AIDS, including 30 fatal cases, while Uruguay has registered 11 cases of AIDS, including 7 fatal cases. [Summary] [Buenos Aires TELAM in Spanish 0419 GMT 16 Jun 87 PY]

FALCON STATE MUNICIPAL COUNCIL PRESIDENT KILLED

PA081748 Hamburg DPA in Spanish 1700 GMT 8 Jul 87

[Text] Caracas, 8 Jul (DPA) -- Omar Antonio Revilla, president of a municipal council in Falcon State in northwestern Venezuela, died yesterday after being shot 60 times.

Newspapers reports in Caracas today state that the car in which the Democratic Action Party [government party] leader was travelling was intercepted by several men who fired their weapons without saying a word.

Apparently the crime has all the characteristics of those that usually take place in Falcon State and was caused by "old family quarrels because of land disputes," the newspaper added.

'TOP ARMY ECHELON' OFFICERS APPOINTED

PA090009 Caracas EL NACIONAL in Spanish 30 Jun 87 p 1

[Text] Maracay, 29 (Special) [as published] -- It has been reported at this important military garrison that the top Army echelon is now formed by the following division generals:

Italo del Valle Allegro, general commander; Jose Maria Troconis Peraza, inspector general; Bastardo Velasquez, chief of the General Staff; and Nestor Bolivar, chief of the Strategic Command. All of them will assume their new posts in the next few days as the result of routine changes in the Armed Forces.

MINISTER SAYS DISORDERS INVESTIGATION UNDER WAY

PA041600 Caracas Television Service in Spanish 0000 GMT 4 Jul 87

[Report by Martin Pacheco]

[Text] Defense Minister Division General Eliodora Guerrero Gomez has disclosed that the state security organizations are investigating the recent disturbances in the capitals of certain states and the metropolitan area.

According to the minister, the Army presence is aimed at supporting the measures adopted by the police in an effort to control disturbances and street demonstrations. In conclusion, the minister said that military forces will be sent to other cities if circumstances require it.

[Begin Guerrero Gomez recording] It is not a militarization in the strict sense of the word. It is a collaboration with and a support for the country's Armed Forces because, by virtue of our Constituion and the Armed Forces law, these forces must help and support the civilian authorities when they require it. Therefore, they have to restore public order anywhere in the country. [end recording]

In addition, Guerrero Gomez said that several people who were arrested in Valera, Merida, and the metropolitan area are being questioned to determine their participation in the incidents.

In the next few hours, the minister said, a broad investigation will be conducted to identify who is fomenting these disturbances. He said that those who violated regulations of the military code in one way or another will be sent to military courts.

FORMER DEFENSE MINISTER CRITICIZES ARMY

PA050249 Paris AFP in Spanish 2209 GMT 1 Jul 87

[Excerpt] Caracas, 1 Jul (AFP) -- Shortly before leaving the Defense Ministry today, Division General Jose Rafael Cardozo Grimaldi severely criticized the Colombian Army and its intelligence services.

Yesterday, during a secret session of the congressional defense commission, Cardoza said that lack of cooperation with the Colombian Army and the neglect of its secret serivce made it easier for Colombian guerrillas to attack a Venezuelan National Guard (military police) unit at the common border on 12 June and kill nine policemen.

Although the session was secret, reporters of newspapers EL UNIVERSAL, EL DIARIO DE CARACAS, EL CARABORENO, and EL IMPULSO recorded Cardozo's remarks and made them public today.

Cardozo handed over the Defense Ministry to his comrade-in-arms Division General Eliodoro Guerrero Gomez on Wednesday.

Cardozo went to the Congress to report about the attack against the National Guard. Although he formally and publicly said that the cooperation agreements between the Armed Forces of the two countries are still in force and are being fulfilled, he told the parliamentarians in private that Colombians were careless and failed to cooperate. [passage omitted]

NEW ARMY COMMANDER VOWS TO FIGHT DRUG TRAFFICKING

PA012056 Caracas Television Service in Spanish 1600 GMT 1 Jul 87

[Text] Upon assuming office, new Army Commander Italo Delvalle has reiterated that he is interested in incorporating the Army into the struggle against drug trafficking. The division general, who is now heading the Venezuelan Army explained to top Armed Forces members, troops, and personalities of various sectors his intention to contribute in the activities to defend our territory, particularly in border areas. He also said that he favors the continuity of the efforts made by the new defense minister, General Eliodoro Guerrero Gomez.

[Begin Delvalle recording] In my duty as commander, I will continue to the great work done by my predecessor, Division Gen Guerrero Gomez. I will continue to guide the effort on the same path of honesty, work, loyalty, friendship, and sincere affection. I think that love within the members of an institution is essential so the institutions can take firm paths without any hesitation. This will help us become closer together. [end recording]

REPORTS OF NEGOTIATIONS WITH IMF DENIED

FL291546 Bridgetown CANA in English 1527 GMT 27 Jun 87

[Text] Georgetown, Guyana, June 27, CANA -- The Government has denied press reports that it is negotiating with the International Monetary Fund (IMF) for balance of payments support. The office of the president last night described as a ridiculous fabrication, a statement on IMF talks attributed to President Desmond Hoyte and published in the privately-owned STABROEK NEWS newspaper.

The article reported the president as saying that current proposals from the IMF for a renewed aid programme for Guyana are not satisfactory but that discussions are continuing.

The paper named President of the Caribbean Association of Industry and Commerce (CAIC) Hollis Bristol as its source.

However, in a statement last night, head of the political and press division of the office of the president, Kester Alves, said it is highly unlikely that the president of CAIC could have made any such statement. The office of the president wishes to point out that the statement attributed to the president in the article is a ridiculous fabrication. The IMF has not made any proposals to the government and consequently, there could be no question of any IMF proposals being satisfactory or unsatisfactory. In point of fact, in current circumstances, there are not even negotiations between the Government and the Fund Alves said in his statement.

The STABROEK NEWS report containing the alleged fabrication has come in the midst of continuing speculation here that the government is about to enter into a new arrangement with the IMF but this has been consistently denied by government spokesmen who have explained that Guyana is still in arrears with its payments to the Fund and is still ineligible to draw on the resources of the Fund.

LOCAL MINERS CALL FOR ACTION ON MALARIA

FL291505 Bridgetown CANA in English 2014 GMT 26 Jun 87

[Text] Georgetown, Guyana, June 26, CANA -- An increase in the incidence of malaria in Guyana's hinterland regions has triggered a call by the local miners associations for offical action to curb the mosquito-borne disease.

The association said it met recently with President Desmond Hoyte, and made clear its concern that recent cases have been caused by a more dangerous type of malaria parasite, "plasmodium falciparum." If not treated early, this strain can be fatal. The miners said Hoyte promised to have the Ministry of Health place greater emphasis on dealing with the situation.

Two deaths from malaria have just been reported here and an unstated number of Guyanese both in the hinterland and coastland regions of the country are suffering from malaria.

In 1985 there were some 7,600 cases and by the end of last year these had grown to 16,400. Already, for the first five months of 1987 there have been 9,500 reported cases.

The Ministry of Health has reported a shortage of drugs to deal with malaria cases in regions reportedly affected by the outbreak, and there is also said to be a shortage of mosquito spraying cans.

Meanwhile, the weekly "CATHOLIC STANDARD" in an editorial on the malaria threat to the society, said that since the government alone seems unable to cope with the problem, it should seek not only the co-operation of the miners, but the country as a whole in helping to find solutions.

The STANDARD, weekly voice of the Roman Catholic Diocese here, lamented what it calls "the culture of secrecy" by the government to "openly discuss" with the people the gravity of the situation and the steps being taken to eradicate malaria.

The only sign that government has given top priority to health care, said the STANDARD, is that the Ministry of Health has no less than four ministers -- the senior minister of health, the minister of environmental health; the minister within the ministry; and the Prime Ministry, which also has responsibility for health.

Nationwide Campaign Launched

FL0611548 Bridgetown CANA in English 1429 GMT 4 Jul 87

[Text] Georgetown, Guyana, July 4, CANA -- Prime Minister Hamilton Green has announced that a nationwide campaign will be launched shortly against the spread of malaria. His announcement was made in an address to the opening session of the Third Annual Gold and Diamond Miners Conference attended by local miners to whom the problem of malaria infestation has become a source of great concern.

The problem manifests itself mainly in the country's hinterland and border areas where many of the miners operate. But several cases have also been recorded on the coastland.

Green said the campaign will be launched now that health officials have researched the problem of malaria infestation.

Executive Secretary of the Guyana Gold and Diamond Miners Association, Anthony Shields, told the conference of efforts being made to control and eradicate malaria and announced that miners have already donated more than 5,000 US dollars to facilitate the importation of drugs to be used in the campaign against the mosquito-transmitted disease.